HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Wednesday, October 14, 1981

The House met at 2 p.m.

● (1405)

[*Translation*]

NEW MEMBERS

Madam Speaker: Order, please. I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of Hon. Roch La Salle, Esquire, member for the electoral district of Joliette, and Dean Heap, Esquire, member for the electoral district of Spadina.

* * *

INTRODUCTION OF NEW MEMBERS

Hon. Roch La Salle, Esquire, member for the electoral district of Joliette, introduced by Right Hon. Joe Clark and Hon. Flora MacDonald.

Dan Heap, Esquire, member for the electoral district of Spadina, introduced by Messrs. Edward Broadbent and Neil Young.

* * *

[*English*]

THE HONOURABLE MEMBER FOR WINNIPEG NORTH CENTRE

REGRETTABLE ABSENCE THROUGH ILLNESS

Madam Speaker: We have introduced two new members, but there is a very old member who is not in the House today, and that is very unusual. Of course I am speaking of the Hon. Stanley Knowles, the member for Winnipeg North Centre. He has just called me on the phone to tell me that he is with us all in thought, and I think he is doing pretty well. I know I express the sentiment of all this House by sending him our best wishes for a speedy recovery. Get well, Stanley, fight through it, and come back very soon!

Some hon. Members: Hear, hear!

● (1410)

[*Translation*]

HOUSE OF COMMONS

WELCOME TO NEW PAGES

Madam Speaker: I would also like to welcome our pages who are with us for the first time today and say to them that they are the darlings of the House, that we always appreciate everything they do for us and that we hope they will find this experiment rewarding.

* * *

[*English*]

DOMINION CONTROVERTED ELECTIONS ACT

JUDGMENT ON SPADINA ELECTION PETITION

Madam Speaker: I have the honour to inform the House that I have received from the Hon. Mr. Justice Osler and the Hon. Mr. Justice Cromarty, both of the Supreme Court of Ontario, the two judges appointed for the trial of a petition pursuant to the Dominion Controverted Elections Act, a certificate of judgment in the matter of an election in the electoral district of Spadina.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

ASSASSINATION OF EGYPTIAN PRESIDENT, ANWAR SADAT—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Windsor-Walkerville (Mr. MacGuigan):

That the House express its deep sense of shock and sadness over the assassination of the late statesman, Anwar Sadat, President of Egypt, and send its sincere condolences to the family of the late President and to the Egyptian people, and that the House express its renewed support for the continuation and implementation of the Camp David Peace Accords, which are a message of peace that the late President brought to this troubled region.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Because of the increasing concern over the political upheaval in Poland, and because citizens of that country are suffering from obvious hardships, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the Canadian government act quickly to ensure that those Polish citizens seeking refugee status in Canada be accepted as conventional refugees; that provision be made within the refugee quota to allow Canada to accept more Polish refugees than presently announced by the minister, in view of the ever-increasing numbers in Polish refugee camps in Austria; and that the Canadian Polish Congress be commended for, and aided in, its efforts to assist needy Polish entrants to Canada.

Madam Speaker: Does the House give its consent to this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR REDUCTION OF INTEREST RATES—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter which has now reached crisis proportions to Canada's farming, small business and fishing communities.

High interest rates are bludgeoning these critical economic sectors, as demonstrated in the 26 per cent increase in business bankruptcies between the months of August and September. In light of this catastrophic situation I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the Liberal government admit that its historic high interest rate policy has failed, and that this House urge the government to take immediate steps to reduce interest rates and refrain from driving these critical economic groups to their knees.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

SUGGESTED MEASURES TO AID FARM INDUSTRY—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, at a meeting with the Minister of Agriculture (Mr. Whelan) on October 8, the wives of some 300 farmers from the Bruce-Grey constituency, and later, a Port Elgin Chamber of Commerce meeting of 275 people, confirmed the crushing impact of high interest rates on the Canadian farm community. So I rise on this matter of urgent and pressing necessity, under the terms of Standing Order 43.

In light of the number of farm bankruptcies, which are up 147 per cent over the 1979 figures, the record number of forced sales and foreclosures, the record rate of Farm Credit Corporation interest rates, the near depletion of the Farm Credit Corporation lending budget, and the resulting threat to Canada's food security because of the total lack of government action and commitment in solving or alleviating any of these problems, I move, seconded by the hon. member for Elgin (Mr. Wise):

● (1415)

That the government immediately enact the appropriate measures necessary to meet this national farm crisis, measures such as the immediate infusion of funds for the Farm Credit Corporation lending budget, the extension of the Small Business Development Bond to unincorporated farmers, and a national moratorium on farm bankruptcies, foreclosures and forced sales, until the merits of each case can be examined and new measures can be enacted.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR MEASURES TO ALLEVIATE IMPACT OF HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, having returned from extensive visits with many Canadians and seeing first-hand the heartbreaking results of this Liberal government's deliberate high interest rate policy and the results of this Liberal government's deliberate high unemployment levels which have jumped to 8.2 per cent in September, the highest increase in unemployment in one month since 1945, of which 45 per cent are youth aged 15 to 24, and after seeing the demoralizing effect they are having on small merchants, the agricultural sector, and the human suffering and weeping in Canadian families because of the loss of their homes, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House instructs the Minister of Finance to introduce immediately measures to alleviate the impact of record-high interest rates and record-high unemployment levels among our youth, single-parent families, home owners, the agricultural sector, and small merchants.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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WINTER OLYMPICS

CHOICE OF CALGARY AS SITE FOR 1988 GAMES—MOTION UNDER S.O. 43

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the city of Calgary's successful bid to host the 1988 Winter Olympics and the strong commitment of support which this project has received from the federal, provincial and municipal governments, I move, seconded by the hon. member for Abitibi (Mr. Gingras):

That this House express its pride in and continuing support for the 1988 Calgary Olympic Games which will not only act as an inspiration for our own young athletes but will also serve once again to reflect the greatness of Canada to the rest of the world.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Public Interest Research Group in the United States has released a report indicating that the water in the Niagara River presents a serious health threat; and in view of the fact that some of the toxic chemicals present in the Niagara system are proven to cause cancer, birth defects and damage to the central nervous system; I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That unpolluted bottled water be provided to all those communities presently drawing water from the Niagara system until such time as an independent panel of scientific experts reviews the findings of the Research Group and all current medical information on the pollutants.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR LEGISLATION TO PROTECT HOME OWNERS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas about half a million mortgages will come up for renewal during the next 12 months, and every night more than a million pillows are wet with the tears of Canadians who fear the loss of their homes because they are unable to meet the gigantic increases in interest rates which the Liberal government permits and condones, and whereas the mortgagor, in many cases, rather than foreclose, forces the sale of a house at bargain prices, which robs the mortagee of his house and his equity in the house, therefore I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That the Right Hon. Prime Minister bring in legislation at once to protect the homes of Canadians who are caught in this high interest squeeze.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

SUGGESTED REVIEW BY STANDING COMMITTEE OF INTEREST RATE POLICY—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. The government's high interest rate policy has resulted in interest rates in Canada 4 to 5 per cent higher than those in the United States. For example, the Bank of Canada rate is 18.95 per cent, the Euro-dollar rate is 14.5 per cent. This government's T-bills are quoted at 18.55 per cent; American T-bills are 13.53 per cent. Banker's acceptance money for 30 days in Canada is quoted at 18.9 per cent; in the United States at 14.35 per cent. First mortgages in the United States are 16 to 16.5 per cent, and Americans deduct the interest from their income taxes. Candians pay 21 per cent and more without relief. I therefore move, seconded by the hon. member for Vancouver Centre (Miss Carney), the same motion moved in a previous session by the hon. member for Windsor West (Mr. Gray):

That this House immediately order its Standing Committee on Finance, Trade and Economic Affairs to undertake an immediate review of the interest rate policy of this government and of the Bank of Canada, and that for this purpose the Governor of the Bank and the Minister of Finance appear before it to explain their actions.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1420)

FISHERIES

CLOSING OF NORTHUMBERLAND STRAIT SCALLOP FISHERY—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise under the provisions of Standing Order 43. The Minister of Fisheries and Oceans (Mr. LeBlanc), under the recommendation of the New Brunswick members of the Scallop Fisheries Board, and under protest of the Prince Edward Island members, has closed down the scallop fishery in the Northumberland Strait, leaving Island fishermen, who want to work, unemployed, at a time when unemployment among Atlantic fishermen is reaching crisis proportions. Therefore, Madam Speaker, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House condemns the Minister of Fisheries for ignoring the welfare of P.E.I. fishermen by again rendering a political decision in favour of his own constituents.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given that an independent American study has indicated that the sewage treatment plant at Niagara Falls, New York, has been dumping virtually untreated chemical waste into the Niagara River for three years, and further given that, in spite of his campaign promises, the Prime Minister has failed to press U.S. authorities on this grave bilateral issue, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House condemn the Prime Minister for once again failing to live up to his campaign commitments, thereby assuring Canadians' lack of trust in him and his government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INQUIRY RESPECTING DATE OF PRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Prime Minister, who will know that the lack of interest in economic policy shown by his government has, over the last several months, driven literally thousands of Canadians out of their homes, out of their businesses, out of their farms. The Minister of Finance has been vaguely promising that a budget will be introduced. Can the Prime Minister tell the House of Commons today the date on which a budget will be presented to this House of Commons?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I should first point out to the Leader of the Opposition that what he calls lack of interest by this government in economic matters has resulted in a growth in Canada during the first nine months of this year of 6.3 per cent in real terms. That is real growth.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is certain when the economy grows at this speed that Canadians' expectations remain high. People who are unable to defend themselves, those who were mentioned in the various Standing Order 43 motions that you have heard just now, those who have been hard hit by this inflationary process, by this high growth that goes to others and not to them—it is certain those people need consideration.

I understand the party opposite has been waiting all summer to talk about the economy. I hope they will talk about the economy and not just ask questions, but that they will be prepared to listen to the answers. Some of them will be mentioned in the budget, Madam Speaker. The Minister of Finance has indicated repeatedly, I believe, that he plans to bring down a budget before the end of this month.

● (1425)

ASSISTANCE FOR HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I guess it is no surprise to the people of the country, particularly those who have been forced out of their homes, out of their businesses and out of their farms, that even after three months around the world, three months away from here, this Prime Minister still cannot decide on a budget date. He might be able to wait; the people of Canada who are the victims of his economic policy cannot wait. If he cannot give the House of Commons a straight answer on that, perhaps he should go away again and let the country carry on in his absence.

Some hon. Members: Hear, hear!

Mr. Clark: Surely the Minister of Finance must know; perhaps he can brief the Prime Minister on the date. We would like to know the date of the budget. Also we would like to know, if the Prime Minister could address his mind to it, what the Government of Canada will do to help, among others, one of the groups of victims most acutely hurt by the disinterest of his government, by the refusal of the Liberal government to care about the economy, the Canadians who are being forced out of their homes.

I remind the Prime Minister that his own throne speech indicated that the government will act to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure can be avoided. That spectre of foreclosure has become a reality to hundreds of thousands of Canadians across the country. I want to know from the Prime Minister whether there will be, in the budget that ministers refuse to announce the date of, specific help by the Government of Canada for those Canadians who are being forced out of their homes. Will that be a part of the budget whenever the budget comes down?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. Leader of the Opposition is asking me to tell him, before the budget date, what will be in the budget. I am sure he would be the first to complain that I was breaking the conventions of this House—

Some hon. Members: Hear, hear!

Mr. Trudeau: —by letting out budget secrets. He himself has had some experience as prime minister, and he knows that budgets are only known on the dates that they are read by the Minister of Finance.

REQUEST FOR DETAILS OF ASSISTANCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister well knows that while he might be sitting in some comfort, a lot of Canadians across the country are not, and that many Canadians now who are forced to consider renewal of their mortgages—and there will be half a million of them in the next twelve months—need to know immediately. They cannot wait for whatever date is in the mind of the Minister of Finance; they cannot wait for the Prime Minister to turn his attention back to Canadian affairs. They need to know immediately what kind of help will be offered. The Minister of Housing has said one thing. It has been contradicted by the Minister of Finance.

Could not the Prime Minister indicate to the House now that there will be help for Canadians who will be forced out of their homes? Can he not tell the House of Commons and the people of Canada who are waiting for his word, now that he is back in the country, what kind of help will be available to them to stop them from being forced out of their homes, forced to give up their investment, forced to abandon their future, because the Liberal Party does not care about the economy of the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the reason is obvious why the Leader of the Opposition wants me to tell what is in the budget before the budget date. The Leader of the Opposition is very anxious to start making speeches that he plans to make during the budget debate. I encourage him to continue to rehearse those speeches. I am sure he can improve them.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: I think the House will realize that his third question is an exact repetition of his second. He wants to know whether the budget will contain certain things, and I repeat that it is against the conventions of this House to say what is in the budget before the budget is brought down.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS AND CO-OPERATION OF MOROCCO

Madam Speaker: I have the honour to call the attention of the House to the distinguished presence in the gallery of His Excellency M'Hamed Boucetta, the Minister of Foreign Affairs and Co-operation of Morocco, to whom I extend a warm welcome.

* * *

● (1430)

THE ECONOMY

REQUEST FOR A MEASURE TO OFFSET HIGH INTEREST RATES

Hon. Roch La Salle (Joliette): Madam Speaker, my question will also be directed—

Some hon. Members: He has not changed—

Mr. La Salle: —Madam Speaker, those opposite have not changed, and in view of the way things are going in Canada, I came back just in time.

Some hon. Members: Oh, oh!

Mr. La Salle: My question is supplementary to those asked by my leader to the Right Hon. Prime Minister, whom I salute, and he has certainly noted since his return from his travels that the present economic situation is a major concern to thousands of Quebecers and Canadians especially with regard to interest rates.

The Prime Minister has refused to reassure the home owners and tenants who will be faced with great hardship and guaran-

tee that his budget will include concrete measures to help them keep their homes while at the same time promoting a recovery of the building industry.

Can the Right Hon. Prime Minister assure the House today, since thousands of Canadians are listening to us, that action will be taken to help these Canadians keep their homes and promote recovery of the housing industry?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, you will recognize that the hon. member for Joliette, whom I salute in return, has asked exactly the same question as his leader. This does not surprise me, but I wish to remind him that in this House, both languages are official, unlike the situation in that other assembly to which he tried to be elected. Here, both languages are official; we have heard the question in English and he is now repeating his question in French, which is fine. I shall point out to him as I pointed out to his leader that the budget should be tabled before the end of the month and that it is the practice that the contents of the budget be not revealed before the evening when it is brought down, and that if he is so set on contributing to the preparation of a budget, he has chosen the wrong capital and the wrong party.

Mr. La Salle: Madam Speaker, if the Right Hon. Prime Minister wanted to tell me that he speaks English better than I do, he is quite right. However, the Prime Minister has not proven to be more able than I in economic matters, for instance.

Madam Speaker, my question is this: In view of his answer, the Prime Minister shows an almost outrageous indifference for small home owners and tenants. The Prime Minister is aware that these people are worried, but I wonder if he realizes the extent of that concern among small home owners and thousands of his fellow citizens. The only thing that I want to know, Madam Speaker, is whether the Prime Minister, or else his Minister of Finance, if the Prime Minister is not able to do so, can assure these people that there will be compensation formulae, corrective action and direct financial assistance available to them so that they can keep their homes and remain good citizens?

Mr. Trudeau: Madam Speaker, I should point out to the hon. member that I made no comment about the way he speaks English, or French for that matter. I simply said that he was repeating in French the same question as the one his leader asked in English. If he insists on asking it a second time—

Mr. La Salle: We want an answer.

Mr. Trudeau: Yes, but I have already replied to the leader, of the hon. member for Joliette. If he wants me to repeat it, I shall—

An hon. Member: Yes, or no.

Mr. Trudeau: It is either yes or no, Madam Speaker, or else it is yes and no, but in any case, the hon. member will find out on budget night.

* * *

[*English*]

HOUSING

REQUEST FOR PRODUCTION OF DEPARTMENTAL DOCUMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the minister who is allegedly responsible for housing. The government has been attempting to downplay the families who are going to be confronted right now with the housing crisis. I should like to ask the minister if he will produce the secret document that has been prepared in his department that shows how 85,000 Canadian families will lose their homes by Christmas because they cannot afford to renew their mortgages. Also, will he assure us that the government will take action to make sure that those families can maintain their homes?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the answer to the first part of the question does reflect the Prime Minister's comment on conventions of the House. The Leader of the New Democratic Party, I am sure, is referring to a document which was prepared for me as the minister and which, under the new information act, would be made available when that legislation is presented to the House. Following those conventions, that will be available.

I would hasten to add, Madam Speaker, that it is commonly known how many mortgages are up for renewal in the next 12 months, and the difficulties that Canadians are facing at the present interest rates are commonly known.

Mr. Nielsen: What is the remedy facing us now?

Mr. Cosgrove: Those are facts that are known and recited by members on both sides.

Mr. Crosbie: What are you doing about it?

Mr. Cosgrove: As the Prime Minister indicated, although we await the budget, I invite you to take a look at what this government has done in the last 12 months in housing.

An hon. Member: We have!

Mr. Cosgrove: I invite you to consider, for example, that unlike the previous administration, we reintroduced support for the industry through the MURB provision in the last budget. That resulted, I am sure, Madam Speaker, in an additional 15,000 starts in the last 12 months. On top of that, to assist Canadians of modest income, we increased social housing under section 56(1). That is a good record, and I am sure that record will be continued.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the minister should try that answer on the 85,000 families who are going to lose their homes.

* * *

THE ECONOMY

REQUEST THAT GOVERNOR OF BANK OF CANADA BE INSTRUCTED TO IMPLEMENT LOWER INTEREST RATE POLICY

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question now for the smiling Minister of Finance. The Governor of the Bank of Canada just recently said that, notwithstanding the insignificant drop in interest rates, his policy as Governor of the Bank of Canada is that Canadians should expect, for the foreseeable future, a continuation of the high interest rate policy.

My question to the minister is straightforward. Since the Liberals promised in the last election campaign to bring down interst rates, will he instruct the Governor of the Bank of Canada now, to implement that policy, or will he fire him?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I was smiling, but that question certainly would put a frown on anyone's face who is interested in examining the economic realities we face and who is dealing with them in a serious way, rather than through rhetoric. The hon. member knows that the quickest way to bring down interest rates in Canada is not through firing the Governor of the Bank.

Mr. Crosbie: Fire the government.

Mr. MacEachen: He ought to know that the best way to bring down—

Mr. Crosbie: Let's have an election.

Mr. MacEachen: —interest rates in this country is to bring down the rate of inflation. That is precisely the argument that the Governor of the Bank has made. I hope that at some point the argument will sink into the opaque mind of the hon. member.

Mr. Broadbent: Madam Speaker, so much for another Liberal promise that has clearly been broken in that answer.

LEGISLATION TO DEAL WITH ECONOMIC SITUATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I should now like to ask the Prime Minister a question which has absolutely nothing to do with budget conventions. We have been away for three months in recess, and during that period record numbers of small businesses have gone broke, farmers are losing their farms, and there has been a 100,000 increase in unemployment in one month. Right across the ledger there is economic disaster. Could the Prime Minister tell us why we came back this week and there is not a single piece of new legislation to deal with the economic crisis before us?

• (1440)

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is referring to the record of the economy. In my first answer today I indicated that, indeed, there were many citizens in this economy and many groups in the population who are suffering from the inflation this government is trying to fight, and that it would be our intention in economic measures in the future, as it was in the past, to alleviate the suffering of those who are in most need. I do not have to remind the hon. member of our increase in the guaranteed income supplement to the old, and so on. It is fully indexed.

Some hon. Members: Oh, oh!

An hon. Member: It's all gone!

Mr. Trudeau: Well, the hon. member says, "It's all gone." He does not realize that it is fully indexed and that, as inflation goes up, these pensions go up. The nature of inflation is that some people get hurt more than others. That is why we have brought in and we will bring in measures to help them. However, I do not believe the hon. member is showing the true picture when he quotes a few indicators of people who are really suffering, and says, that that is how the economy is performing. I told the Leader of the Opposition that in the first nine months of this year real growth in this country went up at 6.3 per cent. That is higher than the United States, which is way below that.

Some hon. Members: Oh, oh!

Mr. Trudeau: No, no, I understand. If the hon. member wants me to tell that to a person who has just lost his job or is losing his house, this will not be a consolation. I just want to explain to the hon. member that when he says that the economy is performing badly, he should say that it is performing badly for some people, not for Canadians—

An hon. Member: Most of them!

Mr. Clark: You're all right, Pierre.

Mr. Baker (Nepean-Carleton): And Chénier, you're all right, too.

Mr. Trudeau: Well, Madam Speaker, this is the first day of this sitting, and it seems to me that we are giving a bad example to the pages whom Your Honour has welcomed so generously.

Mr. Baker (Nepean-Carleton): You are!

Some hon. Members: Oh, oh!

Madam Speaker: Order. The pages were warned by me this morning that there are rough days in the House.

Some hon. Members: Oh, oh!

Oral Questions

AGRICULTURE

MEASURES REQUESTED TO AID FARM INDUSTRY

Hon. John Wise (Elgin): Madam Speaker, I do have an example of the sector of the economy where it is not functioning very well. I want to pose a question which is similar to the subject matter raised by my colleague, the hon. member for Bruce-Grey, in his motion under Standing Order 43. While the Minister of Agriculture wrestles with his conscience and soberly considers his future, I want to put my question to the Minister of Finance, if I could get his attention.

I am certain that the minister, through dialogue which he has had with his colleague, the Minister of Agriculture, is very much aware of the fact that a combination of high interest rates, high farm input costs, coupled with low market prices, has caused a financial crisis in the farm community today. In the short term, because I really think that it is serious, would the Minister of Finance now announce and implement a moratorium on farm bankruptcies, foreclosures, and power of sales immediately? Second, would he also transfer immediately—now—an amount of money in the neighbourhood of $500 million to the Farm Credit Corporation to be used exclusively for refinancing the agricultural industry today? These are short-term solutions.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to assure the hon. member that among the sectors of the economy that are currently receiving my consideration as I prepare for a budget, is the farming sector. I have had a number of discussions with the Minister of Agriculture, with farm representatives, and with representatives of the provincial governments. I will be addressing all the questions of the economy in the budget. But I would ask the hon. member—

Mr. Crosbie: You will be stripping them, you mean.

Mr. MacEachen: —to consider whether he is really serious about the suggestion of transferring half a billion dollars at the present time in the light of the strictures which I have received so frequently from his leader—

An hon. Member: How about your energy tax?

Mr. MacEachen: —and from the former finance critic, about increasing the deficit. The advice from that party has been to decrease the deficit. I heard the Leader of the Opposition, not so long ago, with his own voice, advise me—

Some hon. Members: Oh, oh!

Mr. MacEachen: —advise me, by radio, to reduce the deficit. Therefore, while I am prepared to consider specific proposals, I believe that I would like to get one which is more selective than the rather huge deficit-increasing suggestion that the hon. member has made.

SUGGESTED EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Hon. John Wise (Elgin): My supplementary question is directed to the Minister of Finance. Obviously, if he had a little better management, he could at least come up with an extra $1 billion, to say nothing as far as what he will come up with concerning the new national energy agreement. I believe that is in the neighbourhood of $50 billion. Perhaps that is an area at which the minister could start looking.

Some hon. Members: Hear, hear!

Mr. Wise: I do appreciate the problem of the Minister of Finance, but when he is putting together his budget would he consider accepting the challenge of the Bank of Montreal as it relates to the amendments required in the Small Business Development Bond? Would he also seriously consider the implementation of the agri-bond principle as well as the annual averaging trust account principle? Would he give very serious consideration to those three recommendations?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am familiar with the suggestion made by the Bank of Montreal with respect to the extension of the Small Business Development Bond program to unincorporated farmers. Indeed, the Bank of Montreal has said that it expected to make this financial instrument available to unincorporated farmers in the expectation that the Minister of Finance would pick up the bill. Last week I had a suggestion from presidents of two of the banks. They proposed another scheme which involved the Minister of Finance and the taxpayers picking up the bill. In these circumstances I would like the banks to strive more diligently to find schemes which would cause them to bleed a bit.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

MEASURES TO AID MARITIME REGION

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of Finance. In view of the unprecedented increase in unemployment in the Atlantic provinces, the highest in Canada, as well as the severe drop in employed people, and in view of the closure of fisheries plants, lumber mills and small businesses, and whereas the maritimes are the first hit, the hardest hit, and the last to recover from the effects of high interest rates and restrictive monetary policies, I would like to ask the Minister of Finance if he is contemplating any new and immediate initiatives or strategies to deal with these urgent matters.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker.

REQUEST FOR ASSISTANCE TO HOME OWNERS RENEWING MORTGAGES

Hon. J. Robert Howie (York-Sunbury): I thank the minister for his answer. I had hoped that the poor people of the maritimes might receive a more encouraging comment. When will the minister make a commitment to do something for Canadians who are losing their homes because of high interest rates, high home heating costs and high unemployment? Since the previous government had plans to deal with all three of these problems, will the minister make a commitment to eliminate at least one of these situations?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has raised the question of home owners who may be facing and are facing renewal of mortgages at much higher rates of interest. There is no question about the fact that that is a serious concern to the government and to myself, as minister of finance. I have indicated to the House several times that I have been involved with the financial institutions which, in my view, have a responsibility in this situation.

Mr. Clark: Who elected the banks, Allan?

Mr. MacEachen: That includes the banks, it includes the mortgage companies, and it includes the credit unions and the caisses populaires, all of which are involved in the mortgage business and deal directly with home owners facing renewal. The object of my several meetings with the representatives of these institutions—

Mr. Clark: Was to duck.

Mr. MacEachen: —was to induce them to do what they could to enter into special arrangements to permit home owners to carry their obligations. I am happy to say that in certain instances, flexibility in arrangements has been offered. For example, the caisses populaires have flexible arrangements permitting their customers to carry on. I believe more can be done by the financial institutions to offer special arrangements.

• (1450)

Mr. Baker (Nepean-Carleton): Twenty four per cent is flexibility?

Mr. MacEachen: Something has been done, but more can be done. After their part has been played, then it will be a question for the government to determine what its responsibility is under the circumstances.

REQUEST THAT GOVERNOR OF BANK OF CANADA BE INSTRUCTED TO LOWER INTEREST RATES

Mr. Dan Heap (Spadina): Madam Speaker, I have a question for the Minister of Finance.

Mr. Clark: There isn't one.

Mr. Heap: If the Minister of Finance was in Canada during the month of August, he may recall that there was an expression of a sense of outrage by the electors of the riding of Spadina over the government's policy of trying to cure high prices with high interest rates. In fact the electors of Spadina sent me here to remind him of that particular sense of outrage.

Some hon. Members: Hear, hear!

Mr. Heap: My question to the minister on behalf of the electors of Spadina is simply this: when does the Minister intend to give instructions to the Governor of the Bank of Canada to lower the interest rate structure to a tolerable level?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, before answering the hon. member's question I would like to take this opportunity to congratulate him on his first question in the House of Commons—

Mr. Crosbie: And for getting rid of Coutts.

Mr. MacEachen: —and to say in reply that if he reflected upon the situation for a bit, I think he would agree with me that an instruction to the Governor of the Bank to lower interest rates might have the desired effect in the short run. But it would lay the foundation for even greater inflation and higher interest rates after that. I am sure that the electors of Spadina did not have that counterproductive solution in mind when they sent the hon. member to Parliament.

ALLEVIATION FOR THE UNEMPLOYED

Mr. Dan Heap (Spadina): Madam Speaker, my supplementary question is also to the Minister of Finance. On Friday, for example, we learned that another 144,000 Canadians have become martyrs to the theory that high interest rates will cure inflation and restore the economy. These people do remind us that the minister's cure for inflation is worse than the disease itself.

Some hon. Members: Hear, hear!

Mr. Heap: Since the minister seems unwilling to consider any change in policy regarding high interest rates, what does he intend to do to alleviate the misery that is being encountered now by a million or more Canadians who are unemployed as a result of high interest rates which are mowing down employers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I take exception to the hon. member's diagnosis of the problem. It is not the anti-inflationary stance of the government that is causing unemployment, it is inflation itself that is causing unemployment and slow growth in all of the industrialized countries of the world.

I want to tell the hon. member that unless we succeed in getting inflation down and bend every effort to getting the rate

of inflation down, then there is not much hope of growth or future employment for Canada, or any other industrialized country for that matter. That is the situation.

* * *

RAILWAYS

TRANSPORTATION OF DANGEROUS GOODS

Mr. Douglas Fisher (Mississauga North): Madam Speaker, my question is for the Minister of Transport and it concerns the transportation of dangerous goods. Since Bill C-18 was passed over a year ago and since the Canadian Transport Commission issued its regulations following up on the Grange inquiry's report, a couple of weeks ago, could the minister tell us what is the status of his ministry's work with respect to the regulations to supplement Bill C-18 and thus bring us safer transportation methods for dangerous goods?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend is right in identifying these two developments as being of major importance to the transportation of dangerous goods. Indeed, the bill the House passed a year ago has progressed. Laws have been passed by some of the provinces, which are complementary to that bill. Regulations are being drafted. It is expected they will be ready by early summer, 1982. As well, federal inspectors are being appointed, and so on.

With respect to the Grange report, 12 recommendations have already been acted upon and three are now the subject of decisions by the CTC. The Canadian Transport Commission will be issuing orders in the coming days. Therefore, progress is being accomplished, and I would be delighted to send a more detailed report to my hon. friend.

* * *

HOUSING

REQUEST FOR ASSISTANCE TO HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the minister responsible for housing whose earlier response indicated his insensitivity to the social unrest that the government's high mortgage rate policy is causing to so many Canadians. For instance, thousands of women are being forced into the labour market in order to bring a second income into the family hoping that with it they will be able to keep their homes, but in a stagnant economy jobs cannot be found. Without jobs, people are unable to keep their homes. It is a vicious circle caused by high interest rates.

Is the minister at all prepared to do anything, anything except tell home owners, as he did on September 15, to grit their teeth and hang on until the budget, because I can assure him that there are a good many people who would rather sink their teeth into the government?

Some hon. Members: Oh, oh!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would like to assure the hon. member that earlier in September, I had the opportunity to meet with—

Mr. Crosbie: Surrounded by mounties.

Mr. Cosgrove: —approximately 50 people representing those who expressed the same sentiments, probably in a much more vociferous manner than did the hon. member this afternoon. Some of the positions presented to me on the day of the convoy of anger to the House were from people in the same circumstances as those which the hon. member has just expressed. Eloquent expressions were made to me and to other members of our caucus. We listened to them for approximately one hour. I communicated their message to members of my government and to my caucus. I believe the Minister of Finance has responded to that question. He has indicated that along with other people in the marketplace, such as the financial institutions playing their role and taking their responsibilities seriously, the government too will take its responsibility.

RENTAL OF VANCOUVER APARTMENT FOR SENIOR CIVIL SERVANT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the minister has made it clear just in that last response that he has done nothing, and it does not appear as though the government is prepared to do anything. Since he is not taking his responsibilities seriously as minister of housing to thousands of Canadian families who are losing their homes, can he tell me why he, as Minister of Public Works—or perhaps it was the Secretary of State for External Affairs—authorized the rental of an apartment in Vancouver at $4,000 a month for the next five years for a senior civil servant in charge of transpo? He does nothing for beleaguered home owners, but he authorizes the expenditure of $4,000 a month in rent for a senior civil servant. What in heaven's name is he thinking of?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in response to the hon. member's introduction that I am not taking my responsibilities seriously, I would like to assure her that I am. I would like to assure her that since interest rates have gone into the above 15 per cent category I have met not only with home owners and people affected in that regard, but I have also met with people associated with housing construction. As a matter of fact I will be meeting with representatives of HUDAC tomorrow afternoon. I have met with provincial ministers responsible for housing. I have also prepared advice for the government, which it is presently considering. I have taken those responsibilities seriously, Madam Speaker.

Mr. Kempling: What about the $4,000 a month expenditure?

• (1500)

Mr. Cosgrove: I would say, Madam Speaker, that it is very easy for any member in this house to take any particular item of expenditure and throw it up as an example in that scene. But I would ask them to consider as well the increased commitment of this government, for example, to those most in need, the co-ops and non-profit people and those with low and middle incomes who have been assisted recently right across the country with the increased allotment for those kinds of people.

Some hon. Members: Hear, hear!

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VIA RAIL

CUTBACKS IN PASSENGER SERVICE—REQUEST THAT MINISTER RECONSIDER DECISION

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. Given the record high level of unemployment currently and the fact that the Minister of Transport, by his statement of July 27, in which he announced the cutback of Via Rail service by 20 per cent, will directly affect the jobs of 1,600 railway workers, plus countless hundreds of others who will be indirectly affected, and given that this decision will inflict severe hardship upon millions of Canadians who need and use the trains, not to mention the economic impact particularly with regard to tourism, and given the fact that since the minister's announcement we now have a new energy agreement with projected gasoline prices rising to $4 a gallon, which in itself will necessitate an expansion and further development of public transportation systems rather than a reduction—in light of these new factors I would ask the minister if he will not now reconsider the shortsighted, illogical and arbitrary decision he announced by way of a press conference on July 27, thereby denying Parliament, the CTC and the Canadian public an opportunity to respond to his decision?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I find answering the question is not easy because my friend posed at least three questions in the same sentence, that is, energy, the effect on labour, and other matters.

I have a suggestion to make to him. There is one thing I have missed throughout the summer. It is the lack, unfortunately, of the opportunity to meet my colleagues on both sides of the House to explain that decision we made on July 27. If he wants to co-operate with others I am sure a way will be found for the committee on transport to invite me to appear, at which time I will go and explain and justify the policy in terms of all the questions the member has raised.

Mr. Mazankowski: Madam Speaker, I am sure the minister knows very well that the hearings we conducted were public and open to anyone, any Canadian or any group of Canadians who wanted to appear, and he certainly would have been welcome. As a matter of fact a lot of Liberals, members who call themselves Liberals but who have some second thoughts about it now, did appear before us, as did members of other political parties. Just for the purpose of clarification, Madam Speaker, is the minister saying in his answer that he is prepared to refer this matter to the Standing Committee on Transport before a decision is taken? If the minister were to do that I think it would certainly restore some confidence in the mind of the Canadian public that there is in fact some semblance of democracy in this country. If he does not, then the minister is clearly breaking with tradition, historical patterns, and perhaps even convention.

Mr. Pepin: Madam Speaker, I did not intend to do that. What I had in mind was that during the summer the committee had a mandate to investigate generally transportation matters in Quebec and Ontario, if my memory serves me well enough. It seems to me that if the committee wanted to hear our explanation of the policy, that could have been located within its mandate.

My hon. friend is quite right when he says that 1,600 employees of either VIA or CN and CP will be affected. My hon. friend is aware that $30 million are in a program to take care of the situation by way of pre-pensioning, by retraining and so on and so forth. There are answers to the three questions he has raised and I am looking forward to the opportunity of giving them.

REQUEST THAT STANDING COMMITTEE CONSIDER MATTER OF PASSENGER TRAIN ABANDONMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is also for the Minister of Transport, who has been described as the worst thing to happen to passenger trains since Jesse James. Jesse James held up the railroads, and the transport minister is holding up 1.2 million VIA Rail passengers.

Since the federal government has bypassed public hearings by the Canadian Transport Commission, has ignored the demands of the public for better train service, and has violated statutory agreements and federal and provincial statutes, will the minister now at least refer this matter of passenger train abandonment to the CTC or refer it to the Standing Committee on Transport? Rather than just showing up and explaining what he has already done, will he refer it to the committee in such a way that the committee might have an opportunity to undo the damage he has already done? Will he consider doing that?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already explained quite a number of times why the government felt it should go by way of orders in council, which is quite legal. The reasons are essentially two. The first one is that such a reference to the CTC was made before, in 1976, and the results were not those that could have been expected. That is the first one. The second reason is simply that had we gone to the CTC we would have had to give indications or directives to the CTC which would have

been considered by my hon. friends as a disguised way of giving orders.

Figures have been mentioned, for example, that this decision will affect 1.2 million travellers. That is not so. The commuters in this 1.2 million figure will continue to commute. The only thing we have suggested is that the provincial governments should take responsibility for those commuter services, and I dare say they will.

REASONS FOR MINISTER'S DECISION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, it may be clear to the Minister of Transport why the government has done what it has done, but many Canadians fail to understand how the minister is going to improve train service, create jobs, save energy and promote national unity by abandoning the Atlantic Limited and the Super Continental, two of the most heavily patronized trains in Canada. We would like to know how he figured that one out. If the minister's case for abandonment is as good as he says it is, why is he afraid of scrutiny in a public forum, the transport committee, the Canadian Transport Commission or Parliament itself? The people of Canada are furious about these cutbacks and they want a chance to show how well-founded their anger is. They want to be able to show the minister. I ask the minister just what is he afraid of?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not know where my hon. friend was three or five minutes ago when I suggested—I was the first one to do it—I would go to the committee and give explanations of the announcement I made on July 27. I am sure that through the committee we would reach a great number of people. That is the answer I have given to the question already asked, three or five minutes ago.

* * *

THE ECONOMY

REQUEST FOR MEASURES TO COMBAT UNEMPLOYMENT

Hon. David Crombie (Rosedale): Madam Speaker, my question is also for the Minister of Finance. The minister will know that last month this country suffered the largest single increase in the jobless rate since 1945. He will also know there were 101,000 additional people unemployed in a single month. This now means we have in this country 980,000 people looking for jobs they cannot find. Those figures are devastating for the individuals involved and they should be unacceptable to the government. I ask the minister what he or his government intends to do to put these people back to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to the unemployment statistic released for the last month for which the data is available. I must say that the figure came as a real surprise because the preceding figure was 7 per cent in August. It was the lowest unemployment figure in Canada since 1976. In addition to that, within the past year Canada was the only major country that showed a decline in unemployment. To record the largest single month-to-month increase ever in Canada was a very definite surprise and not forecasted by anybody. One wonders whether it represents a basic trend in the economy or whether it represents some aberration or a sampling error. In any event I take the hon. member's question at its face value and I wish to assure him that the over-all economic situation, including high and rising inflation and unemployment as registered last month, will be very much a part of the over-all economic policy I will be presenting as soon as possible in the budget.

• (1510)

REQUEST FOR INTRODUCTION OF GOVERNMENT PROGRAMS

Hon. David Crombie (Rosedale): Madam Speaker, I might say that the people who are unemployed and looking for work regard this as more than a sampling technique, as I am sure he knows, and are very interested in something more solid. It is time, Madam Speaker, the minister got out of theory and into practice, because people are being hurt. In particular, when the minister was talking in the past about employment growth he always talked about an increase in growth. We have dropped in employment growth by 188,000 jobs since last May, when the minister took credit for it.

I would finally ask the minister, when he brings in his budget, when he deals with any economic statement he wants to make, will he bring in real programs that help real people, and simply not sit in his office theorizing on the phone?

An hon. Member: Real jobs, too!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am to some extent, surprised by the hon. member's question, suggesting that we are not interested in real people, that we are not developing programs for real people. It is my understanding that it was real Canadians who benefited from the best employment performance of any country over the last year. That occurred in Canada. We had the lowest unemployment figure in August that we have had in five years.

Mr. Crombie: Had.

Mr. MacEachen: We had the best unemployment drop—

An hon. Member: Give us an example.

Mr. MacEachen: —of any major country in the world, over the last year. But when these statistics—

An hon. Member: Bring yourself up to date.

Mr. MacEachen: —when these statistics were evident to the hon. member he was not getting up in his seat and saying, "Well done, you have helped real people in Canada." He gets up and talks when the figures get gloomy. It is my intention not to keep them gloomy, Madam Speaker.

Some hon. Members: Hear, hear!

Madam Speaker: I have time for one question more by the hon. member for Fraser Valley West.

* * *

HOUSING

REQUEST THAT MORTGAGE RATES BE REDUCED

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, interest rates are breaking families not only economically but, equally as important, they are breaking families socially. People are losing their families and their homes by being forced to take third and even fourth jobs to meet the increased rates.

Since the government claims that our interest rates must float around United States interest rates, will the government reduce mortgage interest rates to bring them into line with United States interest rates which are currently 3 per cent to 5 per cent lower than in Canada? Will the minister responsible for housing answer that question?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I believe that the Minister of Finance has addressed that question in his answers this afternoon. I would like to repeat part of my answer earlier pertaining to housing, that I am aware of the difficulties that are being faced by families. I have received representations not only in Ottawa, not only in this forum, but in forums right across the country. I have had the opportunity in the last couple of months to meet with people in every province. I am fully aware of the difficulties being faced by Canadians.

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PRIVILEGE

MR. BENJAMIN—ABANDONMENT OF RAIL SERVICES BY ORDER IN COUNCIL

Madam Speaker: I have notice of a question of privilege from the hon. member for Regina West (Mr. Benjamin).

Mr. Les Benjamin (Regina West): Madam Speaker, the matter of which I gave you notice is one that I sincerely believe affects the rights and privileges of all members and infringes on and violates my privileges as a member of this place. It concerns order in council 1981-2171 which orders the abandonment of several passenger train services across Canada.

Madam Speaker, I am not here to ask you to judge the legality or illegality of the actions of the government; I am here to ask you to find a prima facie case of privilege. Based on the actions of the government, whether legal or illegal, my privileges have been infringed upon.

I will briefly cite three schedules in the order in council and then state my question of privilege, which is in three parts.

Madam Speaker: Order, please. I would prefer it if the hon. member would state his question of privilege immediately; he can talk about the schedules later if there is a prima facie case. He must go immediately to why he feels his privilege has been abused.

Mr. Benjamin: Thank you, Madam Speaker. My question of privilege is the following. Since order in council 1981-2171 overrides legislation of provinces and this Parliament, my privilege in carrying out my legislative duties has been violated because I am prevented by this order in council from asking for and obtaining a hearing before the Canadian Transport Commission on VIA Rail passenger routes ordered abandoned by the order in council. The law provides for such hearings. The order in council prevents it.

The legislature of British Columbia in 1910 ratified an agreement with the Canadian Northern Railway which said in part that, in exchange for property and timber rights, the company was bound by statute to maintain a regular daily first-class passenger and freight service between Victoria and Jasper. I would like to be able to present that case before the Canadian Transport Commission. The order in council prevents me from doing that.

Second, the order in council permits the government to take these actions without presenting legislation to which I could speak or endeavour to amend or improve or defeat. Also, the Canadian Transport Commission previously held hearings at which I and other hon. members appeared and ruled that 15 of these 21 routes ordered abandoned by the government in their order in council be retained.

I have no way of getting at this fiat in Parliament through the statutes or government legislation, or even through a private member's bill, certainly not in this session of Parliament. I can only do this through questions or debate which the government can, and will, ignore. I cannot appeal or attempt to amend, defeat or even approve legislation which violates legislation in several of the provinces and in the Parliament of Canada. I submit, Madam Speaker, that this impinges not only on the integrity of this place but on the individual rights of an hon. member.

In 1882 the Quebec legislature ratified an agreement with the CPR in which the province conveyed to the CPR ownership of the Quebec-Montreal-Ottawa and Occidental Railway.

• (1520)

Madam Speaker: Order please. I am afraid I have to interrupt the hon. member. It seems to me quite obvious from what he has said that he does not have a prima facie case of privilege. I must remind him to look at Beauchesne and realize for himself that if he is not satisfied with the manner in which the government has undertaken a certain action, that does not constitute a question of privilege. The dissatisfaction of the hon. member deals with an interpretation of the laws and statutes, and the hon. member of course knows that I am not able to interpret the laws and statutes. There is a difference in interpretation, I can see that; but it is not for me to determine

that that difference in interpretation constitutes a question of privilege, and I will determine that that difference in interpretation does not constitute a question of privilege. I must therefore tell the hon. member that I cannot hear him any further and that he cannot pursue his question of privilege.

Mr. Benjamin: Madam Speaker, I was hoping you would allow me to complete the third point. There are three points in my question of privilege.

Madam Speaker: Order. In the time I gave the hon. member he was not able to convince me that he had a prima facie case of privilege. Therefore, I am afraid I cannot allow him any more time.

MR. JELINEK—INTRODUCTION OF SPORTS BETTING POOL—ALLEGED DENIAL BY MINISTER

Mr. Otto Jelinek (Halton): Madam Speaker, I did indeed serve notice of my question of privilege earlier today relating to questions I put to the minister of fitness and amateur sport on June 26 and June 30 relating to his subsequent announcement in the form of a press release dated September 14 regarding the introduction of a national sports betting pool. Obviously this is the first opportunity, Madam Speaker, to bring the matter to your attention and, in order to make my point, I hope you will permit me to quote quickly and briefly from *Hansard* for June 26, 1981.

In my first question to the minister I said in part, and I quote:

> It has now come to my attention that the minister is well on his way to extending federal gambling programs to what is known as all-sports betting—

The minister answered, also in part, by saying, and I quote:

> I would inform the hon. member that the government has no such plans.

I went on to say, and I quote again:

> Is the minister telling us that neither his department nor any other department of government has been considering sports betting? . . . At the same time can he assure the House that all-sports betting or any other new gambling operation will not be implemented, now or in the foreseeable future, by that government?

After sarcastically ridiculing me in this House the minister concluded, and I quote again from *Hansard*:

> We do not contemplate any such scheme as the hon. member has mentioned.

Just a few days later, on June 30, I brought to the attention of the minister a sample betting ticket entitled "Sports Select" which was produced by the federal government outlining 15 National Hockey League games to be bet on by the purchaser of the ticket to be sold to the Canadian public at one dollar.

Madam Speaker: Order, please. I can see that the hon. member is making many quotations from *Hansard*, but I would like him to tell me right now where he feels that his privilege has been breached. I see nothing in the presentation he has made up until now which would allow me to find a prima facie case of privilege. Obviously the hon. member is not satisfied with an answer given to him by a minister, but that does not constitute a question of privilege, so the hon. member will have to make some effort to indicate to me where his privilege stands.

Mr. Jelinek: Madam Speaker, if you will bear with me, you will note that I will conclude that the minister violated my privilege as a member of Parliament and, indeed, the privileges of all members of Parliament by either deliberately misleading the House at that time—as my colleague says, not telling the truth—

Madam Speaker: Order. The hon. member of course knows that he cannot say that a member has deliberately misled the House. He risks having to withdraw, and I ask him to withdraw that because he cannot say the minister did it deliberately. He might say he misled the House, but "deliberately" is a different matter. I ask the hon. member to rephrase his sentence so I can listen to him.

Mr. Jelinek: Madam Speaker, it is on the record that he said he had no knowledge of this scheme, including no knowledge of this ticket which was produced by his department.

On September 14 the minister released a press release which says, in part, and I quote:

> —legislation would be introduced as soon as possible to permit the operation of a sports pool program—

The record says—not me but the record—that he was deliberately misleading the House. I am not saying that. The record of *Hansard*—

Madam Speaker: Order. The hon. member cannot say indirectly something he would not be allowed to say directly. I ask him to withdraw that phrase. I cannot accept it in the House. Would the hon. member please rephrase that sentence and come to the point of his question of privilege; otherwise I will just have to cut him off.

Mr. Jelinek: Madam Speaker, I withdraw the statement that he was deliberately misleading the House. The record shows that he deliberately misled the House. As a result—

Madam Speaker: Order. I am sorry. It is just as if the hon. member were quoting in the House an article in the newspaper saying something unparliamentary; he is using the subterfuge of quoting an article to say something he would not say directly. I think the hon. member can make his case without being unparliamentary, and I ask him to try to do that.

Mr. Jelinek: I have withdrawn my personal statement saying that he deliberately misled this House, but the rest of what I said stands.

The issue at hand in my question of privilege, therefore, is that both on June 26 and June 30 of 1981 the minister of fitness and amateur sport categorically denied that he, his department or any other department of his government was contemplating or even considering the introduction of a sports betting program—and the record speaks for itself—and then just a few months later while Parliament was in recess, on September 14 to be exact, the minister proudly and ceremoniously announced that indeed they would be announcing such a

program. It is obvious, since a program of this magnitude requires months of preparation and planning, that the minister of fitness and amateur sport on those dates either misled this House or did not know what was happening in his department. If he was unaware of these activities in his department, then he should do the only honourable thing open to him, and that is to resign from his responsibility as a member of the cabinet within that portfolio.

If, on the other hand, he was intentionally misleading the House, then I humbly ask Your Honour to judge whether I do indeed have a prima facie case of privilege arising out of the minister's obvious attempts to mislead this House. Should your judgment be a positive one, it would be my intention to move that this whole matter be brought to the attention of the appropriate standing committee.

Madam Speaker: I think I can rule immediately on this matter. I think the hon. member will agree with me that it is obviously a matter for debate as to whether the minister was aware or could make the kind of statement he made in the House in answer to a question of the hon. member. A minister may change his mind. He may not be ready to make an announcement, and it is up to the minister to express the matter in the way he feels he might express it. He stands or falls on the way he deals with these questions in the House. Therefore that is a matter for debate. I am afraid it is not a question of privilege, and I do not find a prima facie case.

Mr. Paproski: Madam Speaker, I rise on a point of order on that same question of privilege, if I may—

Madam Speaker: Order, please. No, the hon. member cannot come back on the ruling. I have already ruled, and I can hear no more on this particular question. The hon. member knows the rules. I am just applying the rules hon. members have made for themselves.

Mr. Paproski: On a point of order, Madam Speaker, I would like to talk about something related to the preceding question of privilege. It is just related.

Many people in Canada say that this minister of fitness and amateur sport lied when he went ahead with this.

Madam Speaker: Order. The hon. member is debating and referring directly to a question on which I have already ruled. I am afraid I cannot hear him.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT OPPORTUNITIES FOR THE '80s

Fifth report of Special Committee on Employment Opportunities for the '80s—Mr. Allmand.

Petitions

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

* * *

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PRESENTATION OF SECOND REPORT OF SPECIAL COMMITTEE

Mr. Herb Breau (Gloucester): Madam Speaker, I have the honour to present the second report of the special committee set up to act as a parliamentary task force on federal-provincial fiscal arrangements.

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

* * *

[*English*]

HOUSE OF COMMONS

TABLING OF ORDERS IN COUNCIL RESPECTING ROSTER OF CABINET MINISTERS AND APPOINTMENT OF PARLIAMENTARY SECRETARIES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in accordance with Standing Order 41(2), I am tabling a copy of an order in council establishing a roster of acting ministers and a copy of the membership of the cabinet committees. For the convenience of hon. members I suggest that these be printed as an appendix to today's *Hansard*. I am also tabling a copy of the order in council appointing parliamentary secretaries.

• (1530)

Madam Speaker: Is it agreed that these documents should be appended and printed?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

[*Editor's Note: For text of orders in council above referred to, see Appendix "A".*]

* * *

PETITIONS

MR. ROCHE—CANCELLATION OF VIA RAIL SERVICES THROUGH EDMONTON

Mr. Douglas Roche (Edmonton South): Madam Speaker, I ask leave to present a petition protesting the government's decision to cancel transcontinental VIA Rail services through Edmonton. This petition, signed by 30,000 people in Edmonton, was assembled by the Kinsmen Club of Edmonton and handed to the PC VIA Rail task force in September. It is the largest petition ever sent to Ottawa from Alberta's capital. The petition requests that the government rescind its decision,

and it assumes an added urgency with only 31 days left before the government's decision takes effect.

MR. CLARK—PLIGHT OF HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I ask leave to present petitions from home owners in Midland, Ontario and in Saint John, New Brunswick who were part of the convoy of anger who came to Parliament Hill to try to force this government to pay some attention to the plight of Canadians who are being forced to abandon their homes by the deliberate high-interest rate policies of the Government of Canada.

The petition from Midland, Ontario contains some 1,660 names; the petition from the Saint John Home Owners Association contains some 3,478. I should forewarn you, Madam Speaker, that there will be several more to come.

MR. WENMAN—PLIGHT OF HOME OWNERS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present these initial petitions on behalf of a large number of Vancouver lower mainland residents who are in dire straits because of exorbitant interest rates and a corresponding lack of interest shown by the government toward the plight of home owners. The prohibitive cost of taking out new mortgages and renewing old mortgages are depriving Canadian citizens of their basic right to shelter. Therefore, these petitioners have asked as follows:

Wherefore the undersigned do hereby protest the Government of Canada's policy on housing and interest rates and do pray that the House of Commons will act to ensure that

1) Interest rates be reduced,

2) Adequate, affordable housing become recognized as a major government principle and objective—

Madam Speaker: Order, please. The hon. member can only make a brief statement about the petition. He cannot read the whole petition. Once the House has received the petition, it will be examined and I will report on it later.

Mr. Wenman: On a point of order, Madam Speaker. I refer you to Standing Order 67(8). I recognize that no debate shall be permitted upon the presentation of petitions. However, I refer you to the last part which gives an exception. That exception is:

—if it complains of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

Recognizing that all members of the House from all sides have just previously indicated the immediacy of and necessity for discussion of this matter, I think I can personally within my petition directly refer to matters of personal and immediate concern relating to individuals within this petition who, in effect, will lose their homes if we do not have discussion and a resolution.

Madam Speaker: Order, please. The Standing Order which the hon. member is now reading to me and on which he raises the point of order, I remind him, pertains to the report. The report has not yet been given; the hon. member is simply presenting his petition. He is allowed a very brief statement on the matter with which the petition deals. However, discussion takes place only later. The phrase the hon. member is reading refers to once the report has been made. It has not been made. The petition has to be examined by the bureau to ascertain whether it is in accordance with the rules and regulations of this House.

Mr. Wenman: For further clarification on the point of order, Madam Speaker, am I to understand that in presenting this petition it will be examined and, if found to be correct as to form, the Speaker will again call it in the House of Commons tomorrow in order that I might proceed with a debate, in view of the imminence regarding this matter?

Madam Speaker: The petition will be reported tomorrow or on another day. The hon. member is treating this petition as though it were a matter of immediate urgency, that it supersede everything in the House and be debated immediately. He has not made that kind of request to the House.

The hon. member may present the petition. I will report on it tomorrow or at another date. We will then see what rules apply. For the time being the hon. member may not continue with his statement. All he can do is let the House know the subject of that petition and he has done that.

MR. McDERMID—EFFECTS OF HIGH INTEREST RATES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I ask leave to present a petition from residents of the regional municipality of Peel and the regional municipality of Halton, which includes residents from my riding. I would like to present this petition on behalf of 6,725 people who feel that this government must enact legislation or introduce budgetary measures to assist all those suffering from the current level of interest rates, such as home owners, farmers, small businesses and those on fixed incomes.

I believe, Madam Speaker, that this petition reflects the attitude of most Canadians who feel that they have waited long enough for some form of remedial action by this government.

* * *

[*Translation*]

SMALL BUSINESSES LOANS ACT (NO. 2)

MEASURE TO INCREASE MAXIMUM AMOUNT OF LOANS

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)) moved for leave to introduce Bill C-84, Act No. 2 to amend the Small Businesses Loans Act.

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

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I wanted to table some documents but I fear I missed my opportunity. I therefore seek the consent of the House to table the text of an agreement between Alberta and British Columbia and of an agreement between the Government of Canada and British Columbia.

Madam Speaker: Is there unanimous consent to let the Minister table forthwith a document, as he intented to do?

Some hon. Members: Agreed.

Madam Speaker: It is agreed.

* * *

ENERGY

TABLING OF AGREEMENT WITH ALBERTA OF JOINT STATEMENT OF PRIME MINISTER AND OF PREMIER OF BRITISH COLUMBIA AND FISCAL MEASURES

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 41(2), I wish to table, in both official languages, copies of an agreement between the Government of Canada and the Government of Alberta on pricing and taxation of energy resources as well as the joint statement by the Prime Minister of Canada and the Premier of British Columbia on oil and gas prices and on the relevant tax measures. By courtesy, copies have already been distributed to members.

[*English*]

Madam Speaker: I have received three notices of motion for emergency debates, two of which are quite similar in nature. Since I received the one from the Leader of the Opposition (Mr. Clark) first, I will allow him to make his statement first.

MOTIONS TO ADJOURN UNDER STANDING ORDER 26

[*English*]

THE ECONOMY

ALLEGED ECONOMIC CRISIS FACING CANADIANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise to ask leave of the House of Commons, seconded by the hon. member for Yukon (Mr. Nielsen), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the economic crisis facing Canadians today.

[*Translation*]

Over the three-month long summer recess, interest rates reached record highs and, in spite of minor fluctuations, they are not likely to fall below their current level in the foreseeable future. These rates have pushed Canada gradually toward a recession and have compelled many Canadians to either sell or give up their homes.

● (1540)

[*English*]

Canadians who have invested carefully in the future find themselves penalized by economic policies they could not have anticipated and from which there is absolutely no protection. I believe it is proper and necessary for the House to debate this spreading paralysis in the economic life of Canada so that the views of the House of Commons will be taken into account by the government as it prepares its fall budget—a budget which must find the means to halt the decline in economic performance before the current tragedy deepens.

This matter, Madam Speaker, is particularly urgent, given the refusal of the Government of Canada even today to indicate the date of a budget that could begin to address these problems. If you accept this application for debate, Madam Speaker, I am naturally prepared to move the appropriate motion.

Madam Speaker: The Chair does recognize the importance of the matter raised by the Right Hon. Leader of the Opposition (Mr. Clark). In making a determination there are certain criteria set out in the Standing Orders that have to be considered, and that is what I have done in light of the notice which the Right Hon. Leader of the Opposition has sent me.

For instance, the provisions of Section 16(d) of Standing Order 26 are, of course, very clear. It reads as follows:

—the motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this Standing Order;—

As hon. members are aware, the subject of the economic conditions of this country was discussed, referring to some of the same matters mentioned in the advice, on December 18 and 19 of last year in a marathon debate under the provisions of this Standing Order. This is still the same session.

The Chair has on other occasions tended to resist applications dealing with matters that appear to be of a chronic or continuing nature, as opposed to sudden or unexpected occurrences.

[*Translation*]

Although I recognize the merits of the arguments put forward by the hon. Leader of the Opposition (Mr. Clark) in his motion, I waver but I cannot in view of the rules of this House and the remarks I have just made, authorize an emergency debate, as requested by the Right Hon. Leader of the Opposition. I am sure he will have a great many other opportunities to deal with these important issues in the House and I urge him to avail himself of these opportunities as they arise.

S.O. 26

[*English*]

The hon. member for Oshawa (Mr. Broadbent).

Mr. Nielsen: A point of order, Madam Speaker. In the past your predecessors and I believe you yourself have established the precedent of calling motions under Standing Order 26 in the order in which the Chair received them or the order in which they were received by the Clerk. In this case, I believe yesterday at around 10.30 you received a submission by the member for Vegreville (Mr. Mazankowski) with respect to VIA Rail. I do not believe the Standing Order 26 that you were about to recognize was received until long after the office—

An hon. Member: What about Joe?

Mr. Nielsen: What about the Leader of the Opposition? The Leader of the Opposition had his filed at 10.05 a.m. yesterday.

Some hon. Members: Hear, hear!

Mr. Nielsen: Madam Speaker, in keeping with that practice, which has been prevailing for such a long time in this place that it has almost the force, one might say, of a convention, I suggest that you recognize the hon. member for Vegreville since his notice was filed prior to the one on my left.

Madam Speaker: The hon. member will recognize that yes, it is true that I have been in the habit of recognizing questions in the order in which they come into my office. I hope the times are correctly noted because I have to rely on the notes that appear on the notice when it comes to my office.

Of course, the courtesy to recognize the Right Hon. Leader of the Opposition is a normal one. I did want to recognize the hon. member for Oshawa because the question he raised is of a similar nature. I did say that before recognizing the Right Hon. Leader of the Opposition. For this time I think the hon. member for Yukon (Mr. Nielsen) will abide with me and allow me to recognize the hon. member for Oshawa. Then we may deal later with the hon. member for Vegreville.

Mr. Lambert: But not as a precedent.

Madam Speaker: There is no rule. It is true that I am in the habit of doing this, but from time to time, for reasons I might have—I hope they would not be capricious—I might do something else.

Mr. Nielsen: May I just reassure myself that your action in this particular instance is not to be construed as a precedent?

Madam Speaker: Indeed.

ALLEGED NATIONAL ECONOMIC CRISIS

Mr. Edward Broadbent (Oshawa): Thank you, Madam Speaker. I hope the member who just spoke will agree that the issue before us, the Canadian economy, is a little more important than who gets to move which motion first.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I ask leave, seconded by the hon. member for Broadview (Mr. Rae), to move the adjournment of the House pursuant to Standing Order 26 for the purpose of debating a specific and important matter requiring urgent and immediate consideration; namely, the record increase in the non-food consumer price index in September, the ruinous levels of interest and mortgage rates, and the record 100,000 increase in unemployment which took place in September—all of which make it urgent that we have an immediate debate on which can only be described as a national economic crisis.

Some hon. Members: Hear, hear!

Madam Speaker: I can only repeat that the request made by the hon. member for Oshawa is quite similar in nature to the application which I have received from the Leader of the Opposition and on which I have just ruled. I will also rule on the request made by the hon. member for Oshawa. I remind him that some of the questions he has spelled out in his application have been dealt with earlier in this House on many other occasions. The problems to which he refers are of a continuing nature and do not justify the allowance of a debate of an emergency nature.

I, therefore, regret I cannot receive the application of the hon. member for Oshawa.

* * *

VIA RAIL

ABANDONMENT OF PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, I too rise under the provisions of Standing Order 26, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight), to ask leave of the House to consider a matter of urgent and pressing necessity. It arises out of the announcement made on July 27, shortly after the House adjourned for the summer recess, of drastic alterations in Canada's passenger rail service which affected some 19 per cent of the lines, deprive 1.2 million Canadians of service and result in the loss of an estimated 1,600 jobs of railway workers.

This action has not been debated, nor approved by the Canadian Transport Commission or the House of Commons. It will inflict untold hardship upon those whose jobs will be lost. It will have a serious social and economic impact upon others affected both directly and indirectly. These cuts will substantially diminish the comprehensiveness and utility of our

rail system and hamper future attempts to promote public transportation systems and fuel economy.

I believe it is extremely important for Parliament to debate this impending termination of rail service before the order in council implementing the cuts takes effect on November 15, 1981. For dozens of communities and tens of thousands of individual Canadians, this is an emergency situation on which Parliament is entitled to be heard. Madam Speaker, if you find this situation does justify the invocation of Standing Order 26, I will be prepared to move the appropriate motion.

Madam Speaker: Again there is little doubt that the matter raised by the hon. member is of national interest and of great concern to Canadians generally. However, in determining whether the question raised may require an emergency debate, I have to measure this application against a number of criteria.

The hon. member realizes it would be difficult to apply the provisions of Standing Order 26 in the case of decisions taken by outside entities while carrying out their normal functions, namely, the Canadian Transport Commission. It is obvious that modifications to rail service in this country are made on a continuing basis. These matters have been constantly rejected by the Chair as not constituting a proper subject of debate under the provisions of this Standing Order. As a former minister of transport, I am sure the hon. member is aware of other avenues in which he can raise his concerns. Of course, if is with reluctance that I cannot accept his application.

* * *

● (1550)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 410, 588, 592, 811, 892, 1,009, 1,050, 1,051, 1,324, 1,329, 1,434, 1,529, 1,541, 1,615, 1,774, 1,901, 2,103, 2,111, 2,123, 2,129, 2,137, 2,142, 2,146, 2,167, 2,175, 2,203, 2,227, 2,251, 2,263, 2,325, 2,361, 2,365, 2,368, 2,371, 2,376, 2,392, 2,435, 2,443, 2,450, 2,452, 2,453, 2,467, 2,487, 2,499, 2,500, 2,502, 2,506, 2,516, 2,520, 2,532, 2,543, 2,562, 2,573, 2,574, 2,575, 2,586, 2,588, 2,598, 2,599, 2,600, 2,622, 2,623, 2,627, 2,628, 2,631, 2,632, 2,634, 2,636, 2,637, 2,638, 2,660, 2,667, 2,668, 2,693, 2,694, 2,709, 2,717, 2,727, 2,729, 2,738, 2,754, 2,791, 2,796 and 2,871.

[*Text*]

OVERTIME PAY FOR PUBLIC SERVANTS

Question No. 410—**Mr. Orlikow:**

1. How many public servants, by department, commission, Crown corporation, etc. earning over $18,000 per annum in the past year, received overtime pay?

2. How many received overtime pay (a) up to $1,000 (b) between $1,000 and $2,000 (c) between $2,000 and $3,000 (d) between $3,000 and $4,000 (e) between $4,000 and $5,000 (f) $5,000 and over?

Order Paper Questions

Mr. David Smith (Parliamentary Secretary to President of the Privy Council):

	1	2(a)	(b)	(c)	(d)	(e)	(f)
Agriculture Canada	2466	1012	398	283	216	167	390
Canadian Dairy Commission	16	10	4	1	1	–	–
Farm Credit Corporation	4	3	–	1	–	–	–
Communications	395	326	32	12	8	6	11
Canadian Radio-Television and Telecommunications Commission	27	19	2	2	–	3	1
Teleglobe Canada	*374	97	45	48	43	33	108
*¾ of these represent night shift duty.							
National Film Board	102	54	14	13	6	5	10
National Library	25	19	4	–	–	1	1
National Museums	149	114	14	8	7	3	3
Public Archives	25	23	2	–	–	–	–
Consumer and Corporate Affairs Canada	420	364	46	5	3	–	2
Canada Employment and Immigration Commission/Department	3942	3168	460	169	76	33	36
Energy, Mines and Resources	560	258	131	74	42	16	39
National Energy Board	88	54	15	7	6	2	4
Environment Canada	2765	1367	590	310	174	112	212
Finance	73	52	8	3	4	3	3
Office of the Auditor General	92	51	23	8	4	3	3
Insurance	5	5	–	–	–	–	–
Fisheries and Oceans	1126	421	271	162	89	65	118
Indian Affairs and Northern Development	655	416	105	49	31	20	34
Northern Canada Power Commission	52	3	2	4	4	9	30
Industry, Trade and Commerce	103	87	12	2	–	2	–
Federal Business Development Bank	7	6	1	–	–	–	–
Foreign Investment Review Agency	2	2	–	–	–	–	–
Metric Commission Canada	23	18	–	3	1	–	1
Justice	29	26	1	2	–	–	–
Canadian Human Rights Commission	4	2	2	–	–	–	–
Tax Review Board	6	–	–	4	2	–	–
Labour Canada	46	28	10	4	1	–	3
Canada Labour Relations Board	17	10	5	2	–	–	–
National Defence	1640	1332	200	61	19	11	17
Defence Construction (1951) Ltd.	19	12	2	2	2	1	–
National Health and Welfare	815	556	111	49	41	17	41
Medical Research Council	1	1	–	–	–	–	–
Post Office	3774	1853	675	467	283	196	300
Prime Minister's Office	11	8	3	–	–	–	–
Commissions	2	1	1	–	–	–	–
Economic Council of Canada	3	2	1	–	–	–	–
Federal-Provincial Relations Office	4	2	–	–	–	1	1
Privy Council Office	12	9	2	–	–	–	1
Chief Electoral Office	14	–	2	2	–	3	7
Public Works	950	619	166	62	26	31	46
Canada Mortgage and Housing Corporation	85	62	18	4	–	1	–
National Capital Commission	32	22	9	1	–	–	–
Regional Economic Expansion	84	52	19	11	–	2	–
Cape Breton Development Corporation	238	97	43	35	17	22	24
Revenue Canada Taxation	1356	1135	135	50	16	10	10
Customs and Excise	2626	1382	553	337	184	78	92

Order Paper Questions

	1	2(a)	(b)	(c)	(d)	(e)	(f)
Science and Technology	7	6	–	–	–	1	–
National Research Council	297	191	50	24	10	4	18
Natural Sciences & Engineering Research Council	9	8	1	–	–	–	–
Science Council of Canada	2	2	–	–	–	–	–
Secretary of State	159	114	25	11	3	1	5
Public Service Commission	528	423	69	23	10	1	2
Secretary of State for External Affairs	240	189	32	6	3	4	6
Canadian International Development Agency	69	45	8	10	2	3	1
Solicitor General	14	13	–	–	1	–	–
The Correctional Service of Canada	2890	1236	612	381	233	145	283
National Parole Board	23	20	3	–	–	–	–
Royal Canadian Mounted Police	69	41	12	9	4	2	1
Supply and Services	The information requested is not readily available, and to retrieve it in the form requested would involve prohibitive expenditures of time and manpower. Overtime payments in the past year, however, totalled $1,783,765 for Supply and $1,100,000 for Services.						
Statistics Canada	152	127	20	4	–	1	–
Canadian Arsenals Limited	14	9	2	2	1	–	–
Crown Assets Disposal Corporation	9	5	1	3	–	–	–
Royal Canadian Mint	23	18	2	3	–	–	–
Transport Canada	6427	3473	1335	697	330	200	392
Canadian Transport Commission	110	61	15	15	10	3	6
Management of Air Canada	The Air Canada payroll system has no automated means to retrieve or reconstruct payroll data in the requested manner.						
National Harbours Board	344	119	76	43	43	35	28
Pilotage Authorities							
Atlantic	49	8	15	9	9	2	6
Laurentian	24	7	2	7	4	1	3
Great Lakes	102	28	38	25	3	1	8
Pacific	35	17	7	6	–	–	–
St-Lawrence Seaway Authority	292	214	40	14	5	5	14
Seaway International Bridge Corp. Ltd.	2	–	1	–	1	–	–
Via Rail Canada Inc.	3207	2795	395	13	4	–	–
Treasury Board Canada	51	39	7	4	1	–	–
Veterans Affairs	283	231	37	11	3	–	–
Other Departments and Agencies	None.						

METRIC COMMISSION ADMINISTRATION

Question No. 588—**Mr. Blenkarn:**

1. What was the cost of operating the Metric Commission during 1979?

2. What was the total cost expended on the Metric Commission since its inception?

3. Under what legislation and under what provisions is the financing of the Metric Commission handled?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned: 1. Operating costs for fiscal year 1979/80 were $6,740,991. Contributions under the workers' metric tools assistance program for the same period were $2,113,941.

2. The total operating cost from June, 1971, to March 31, 1980, was $31,165,669. Contributions under the workers' metric tools assistance program over the same period were $3,034,541.

3. Metric Commission Canada was established by order in council PC 1971-1146, dated June 10, 1971, pursuant to section 18 of the Government Organization Act of 1969. This authorization is incorporated into the Department of Industry, Trade and Commerce Act, chapter 972. The parliamentary vote is vote 5 under the trade industrial program, Industry, Trade and Commerce.

CMHC—ACQUISITION AND SALE OF DWELLING UNITS

Question No. 592—**Mr. Cossitt:**

1. (a) As of the date the answer to this question is prepared, how many (i) dwelling units (ii) other types of establishments, have been repossessed by the Canada Mortgage and Housing Corporation for non-payment of mortgage fees (b) what is a breakdown by province under each category (c) what is a general description of the categories of places under the description of "other establishments"?

2. What does the government plan to do with such properties and what are all the detailed plans in this regard?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

1. (a) (i) The total number of units acquired by the mortgage insurance fund from January 1954, (the inception of NHA loan insurance) to March 31, 1980, is 44,890, while the total number of units acquired by CMHC from 1946 to March 31, 1980, with respect to its direct uninsured lending is 21,980 units.

(ii) Not applicable.

(b) A breakdown of repossessions by province is not available.

(c) Not applicable.

2. The government plans to sell the acquired properties as quickly as possible, recognizing market conditions.

CMHC's marketing program is as follow:

(a) single detached and condominium units are offered for sale at current market value;

(b) multiple unit projects are offered for sale to the private sector through the request for proposals (RFP) technique. Proposals are invited from proponents with demonstrated financial and management capability and satisfactory credit standings. Projects not included in an RFP are sold on the open market through the multiple listing services or public tender call. In the case of non-profit projects, where provinces, non-profit groups or co-operatives indicate interest in acquiring the projects, these organiza-

tions are given first priority over disposal on the open market.

METRIC COMMISSION

Question No. 811—**Mr. Towers:**

1. By year, what was the total amount of funds disbursed on the metric conversion program?

2. (a) How many persons are employed under the program (b) how many man-years are allocated to the program?

3. (a) How many contract employees or consultants are employed under the program (b) what was the total amount of funds disbursed, by year, on contract employees or consultants?

4. (a) How many contracts with consultants has the metric program (b) who are the recipients of the contracts and what is the total amount of their emolument, by year?

5. What was the total amount of money disbursed to date, for paid media advertising to publicize or promote the metric conversion program?

6. How many letters of comment has the Metric Commission received from concerned Canadians regarding the implementation of the program and how many were letters (a) of complaint (b) praising the program?

7. Are weights and measures that have been adopted in the Canadian metric conversion program fully compatible and interchangeable with weights and measures used by other nations which use the metric system (b) is the Canadian "tonne" fully interchangeable with all other nations?

8. What percentage of Canada's trade is carried on with nations using the metric system?

9. Does the government possess information on the plans of the critical path of the government of the United States with regard to implementation of a metric system in that country and, if so, what is such information?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned: On the date this question was asked, a complete significant answer was not available. This information has now been compiled as of January 31, 1981.

1. The amount of funds spent and/or disturbed by the commission by fiscal year is as follows:

Fiscal Year	Expenses	Contributions (Workers Metric Tools Assistance Program)
1971/72	$ 44,541	$
1972/73	530,943	
1973/74	1,590,792	
1974/75	2,634,101	
1975/76	3,316,100	
1976/77	4,380,300	
1977/78	5,753,000	120,600
1978/79	6,174,901	800,000
1979/80	6,740,991	2,113,941
1980/81*	3,963,581	1,447,158

*Note: Fiscal Year 1980/81 up to January 31, 1981

2. (a) As of December 15, 1980, 96 persons were employed by Metric Commission Canada;

(b) As of December 15, 1980, 96 person-years were allocated to Metric Commission Canada.

3. (a) As of December 15, 1980, Metric Commission Canada employed nine contract employees or consultants;

(b) The total amount of funds disbursed and/or authorized by year for those contract employees or consultants employed on December 15, 1980 is as follows:

Fiscal Year	Amount
1978/79	$ 61,900
1979/80	46,650
1980/81 to Dec. 15/1980	147,790

4. (a) During the 1980/81 fiscal year, Metric Commission Canada had seven consultant contracts in force.

(b) Consultants under contract during fiscal year 1980/81 (up to January 31, 1981) including funds disbursed and/or authorized by year are as follows:

Consultant	Fiscal Year	Amount
1. Mr. Brian Dixon	1980/81	$ 3,699
2. Intertask Limited	1980/81	15,000
3. Bob Mellor and Associates	1978/79	33,000
	1979/80	26,150
	1980/81	34,200
4. Public and Industrial Relations Limited	1980/81	17,715
5. Mr. Alan Rogers	1980/81	21,900
6. Bryce Taylor Leisure and Recreational Consultants Ltd.	1980/81	21,426
7. Ms. Nola Wade	1980/81	25,000

5. Due to budget limitations, Metric Commission Canada has a policy of not buying media advertising time and space. On one occasion only, the Department of Industry, Trade and Commerce, Office of Information and Public Relations, on behalf of the Minister of Industry, Trade and Commerce, did spend $130,000 on March 31, 1975, for newspaper advertising relating to weather conversion.

6. The number of letters of comment received by Metric Commission Canada during the period April 1, 1974, to March 31, 1980 is as follows:

	Total Letters	(a) Letters of Complaint	(b) Letters Praising the Program
April 1/74 to March 31/75	66,033	—	108
April 1/75 to March 31/76	98,827	77	121
April 1/76 to March 31/77	42,947	112	160
April 1/77 to March 31/78	34,969	157	147
April 1/78 to March 31/79	25,956	72	106
April 1/79 to March 31/80	22,799	99*	88

*Note: During the fiscal year April 1, 1979 to March 31, 1980, 826 printed form letters protesting metric conversion were also received.

7. (a) The Weights and Measures Act, Section 4, which received royal assent on April 7, 1971, stipulates that "Le Système international d'unités" should be the basis of all units of measurement used in

Canada. These SI units and their prefixes are given in Schedule 1 of the act. These units are fully compatible and interchangeable with most weights and measures used by other nations employing the metric system. Some countries are slower than others, however, in phasing out the use of certain non-preferred and non-coherent multiples or sub-multiples of metric units which have become obsolete.

(b) The Canadian tonne or metric ton, meaning 1,000 kg, is a fully interchangeable unit with all other nations. To avoid confusion in verbal communications, the expressions "metric ton" (in English) and "tonne métrique" (in French) should be used to distinguish the tonne from the short and long tons in the imperial system.

8. It is estimated that over half of Canada's trade is already being carried on using metric units. Almost all of Canada's trade is with countries which are either in the process of converting to the metric system or with countries which have historically used metric measurements. The 1980 issue of the Exporters Encyclopedia and World Marketing Guide published by Dun and Bradstreet International Limited states that, "The U.S. is the last industrial country to go metric: only Brunei, Burma, Liberia and Yemen have not adopted the metric system or are in the process of phasing in its use". Since that time, both Brunei and Liberia have announced their intentions to adopt the metric system. Forty-five countries, including the U.S. and Canada, are signatories of the Treaty of the Metre and financially support the research and activities of the General Conference of Weights and Measures (CGPM). Contributing members of CGPM represent only a fraction of the countries in the world using metric measurements. The CGPM co-ordinates the ongoing development of the metric system of measurements units of which the International System of Units (SI) is the latest evolution. All countries profit from the improvements being made to the metric system whether they do or do not contribute financially to the operation of the CGPM.

In 1979, the United States accounted for 72 per cent of Canada's imports and 67 per cent of her exports. It has been estimated that as of December, 1980, over 45 per cent of the exports to the U.S.A., in 31 leading sectors, are described in metric units. The automobile and parts related manufacturing sector in the U.S. and Canada is the leading industry in this regard with about 70 per cent of manufacturing and orders for parts now in metric units.

Outside the U.S., many countries produce and accept only goods described in metric units. Most countries in the European Economic Community and the European Free Trade Area have passed laws which call for the exclusive use of SI units. The EEC is Canada's second most important export market after the United States. Japan, another metric country, is third. In 1979, 14.7 per cent of Canada's exports went to countries which have passed such legislation.

Overseas trade in metric units has become sizeable for many sectors of the Canadian economy. Total Canadian agricultural exports have exceeded $6 billion per year which represents approximately 40 per cent of farmers' cash receipts. Over 80 per cent of these export products are shipped to metric countries such as the EEC (21.3 per cent), developing countries (22.8 per cent), and Japan (17.7 per cent). Consequently, approximately one third of the farmers' cash income is dependent upon exports to metric countries. During 1979, the Canadian fishing industry processed products having a market value of approximately $1.713 billion. Over 77 per cent of this value was exported with over 50 per cent of exports going to countries that use only the metric system or are well advanced in converting to its use.

9. Federal government policy concerning metric conversion in the United States is co-ordinated through the interagency committee on metric policy which is chaired by the chairman of the U.S. Metric Board. The role of the U.S. Metric Board is to educate, inform and assist those parties who make a decision to convert. At the federal level, both the U.S. departments of commerce and defense have issued metric conversion plans. The U.S. federal alcohol administration act has been amended and prohibits any sale or import of wines and spirits bottled after January, 1979 (for wines) and January, 1980 (for distilled spirits) unless they are in specific metric only sizes. The conversion of gasoline pumps to litre dispensing is being accomplished by amending state legislation where required. Over 18,000 pumps have been converted as of December, 1980. The U.S. petroleum industry expects that more than 50 per cent of the pumps in the country will be converted by December, 1982.

The voluntary conversion to metric measure by U.S. private industry is being co-ordinated by the American National Metric Council which is funded entirely by its members. As of December, 1980, 46 ANMC sector committees were involved in the planning, scheduling and implementation of metric conversion programs. Several sectors are further advanced than their Canadian counterparts. Dr. Louis Polk, chairman of the U.S. Metric Board, reported at a December, 1980, USMB meeting in New Orleans that the United States was already metric or going metric in 44 different product areas which he listed.

CANADA PENSION PLAN

Question No. 892—**Mr. Cossitt:**

1. In the past five years, have the payments from the Canada Pension Plan Fund been covered by the contributions and, if not (a) what years are involved (b) in each case, by what amounts were the contributions exceeded by the payments?

2. Is it estimated that contributions will be exceeded by payments in the present fiscal year and, if so, by what amount.

3. In the past five years, did the government at any time find it necessary to use the accumulated assets of the fund in any year to meet a deficit and if so, what was the amount used in each year and the total amount used in all the years?

4. Is there a possibility of the fund eventually running out of money and, if so, does the government have any plans to correct this situation and, if so, what are they?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes;

(a) not applicable,

(b) not applicable.

2. No.

3. No.

If no changes are made to the legislation governing the Canada Pension Plan, the possibility does exist that the CPP fund could be in a deficit position by the year 2003. However, it is anticipated that an increase in the CPP contribution rate put into effect sometime before 2003 would eliminate the possibility of the fund running into a deficit. The question of the future funding of the Canada Pension Plan is under continuing study by both federal and provincial governments.

"METRIC MONITOR"

Question No. 1,009—**Mr. Cossitt:**

1. With reference to the answer to question No. 91 which states in part that the total cost of printing the "Metric Monitor" to date amounts to $971,624, what are all the reasons justifying such an expense?

2. Is it government policy to expend funds on printed material concerning the metric system whether or not the system has been endorsed by Parliament?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as the Department of Industry, Trade and Commerce is concerned: 1. The mandate of Metric Commission Canada established under section 18 of the Government Organization Act, 1969, includes the following purpose, to "furnish, publish and disseminate information concerning conversion to the metric system" (order in council, PC 1971-1146, June 10, 1971).

2. The Parliament of Canada made the metric system legal in this country as far back as 1871, as part of our first law on weights and measures. The Canadian government tabled in the House of Commons in January, 1970, the white paper on metric conversion which received support from all party leaders in the House of Commons. A program of guideline dates for metric conversion was approved by the government and debated in the House of Commons on March 17, 1975. The Standing Committee on Finance, Trade and Economic Affairs studied this matter at length and reported it back to the House of Commons on December 17, 1976, with a recommendation that the House consider the advisability of adopting this program and introduce additional legislation to facilitate metric conversion. Subsequently, the Statute Law (Metric Conversion) Amendment Act, 1976, was passed by the House of Commons on July 25, 1977 and received royal assent on August 5, 1977.

Order Paper Questions

"CULTURES CANADA"

Question No. 1,050—**Mr. Cossitt:**

1. Does volume 1, number 5, May, 1980, issue of "Cultures Canada" highlight or promote the public image of Liberal politicians or members of Parliament and, if so, is it government policy that this pamphlet should be used for such purposes?

2. Does the front page of the issue praise the Minister of State (Multiculturalism) and the hon. member for La Prairie and, if so, for what reason?

3. Does the issue contain anything of the views, accomplishments, suggestions etc. of the multiculturalism policies of other parties in the House of Commons and, if not, for what reason?

Hon. Jim Fleming (Minister of State (Multiculturalism)): 1. Since its inception in 1979, "Cultures Canada", the official newsletter of the Canadian Consultative Council on Multiculturalism has pursued an independent editorial policy. This newsletter's primary objective is to keep interested individuals abreast of the numerous processes concerning policy development and its implementation including profiles of individuals who are actively committed/involved with multiculturalism.

2. The front page of the issue does not praise the individuals mentioned. It simply reports on the minister's direct involvement in resolving the W5 issue and elsewhere on the same page it provides broad information on the newly nominated parliamentary secretary to the minister of multiculturalism.

3. Previous issues of "Cultures Canada" contained information on the views, accomplishments and suggestions on the multiculturalism policies of another government administration.

Question No. 1,051—**Mr. Cossitt:**

1. Does volume 1, number 5, May 1980 issue of "Cultures Canada" refer to the hon. member for La Prairie as being chosen the Liberal candidate for the constituency and that he had won his seat with a majority of 33,000 votes and, if so (a) in what way is this connected with multiculturalism (b) is it government policy through such publications to promote the political fortunes of Liberal members of Parliament?

2. Does the issue refer to the member's hobbies and cultural activities and, if so (a) in what way is this connected to multiculturalism (b) is it government policy to promote such activities of Members of Parliament?

Hon. Jim Fleming (Minister of State (Multiculturalism)): 1. Since its inception in 1979, "Cultures Canada", the official newsletter of the Canadian Consultative Council on Multiculturalism (CCCM), an advisory body to the Minister of State for Multiculturalism, has pursued an independent editorial policy. This newsletter's main objective is to keep interested individuals abreast of the various processes occurring in the area of policy development, its implementation and the individuals who contribute to the shaping of said policy. The minister's predecessor and various members of the CCCM have been highlighted in the newsletter. The information provided on the member for La Prairie is factual in its mention of election figures.

2. The member's hobbies and cultural activities are mentioned to provide a more complete picture of the newly appointed parliamentary secretary to the minister.

Order Paper Questions

CFDC—FILM "OUT OF THE BLUE"

Question No. 1,324—**Mr. Friesen:**

1. (a) What was the projected and final cost of the film *Out of the Blue* (b) what was the cost to CFDC?

2. (a) How many persons were hired without union contracts, if any, to work on the film (b) how many persons other than Canadians, were hired without work permits authorized by the Department of Employment and Immigration?

3. (a) Who was the first director of the film (b) was he/she fired in favour of Mr. Dennis Harper and, if so, for what reason?

4. Is the film to be certified as a Canadian film and, if so, for what reason?

Hon. Francis Fox (Minister of Communications):

1. (a) According to the initial offering memorandum with which the producers approached investors dated July 25, 1979, the projected budget was $2,199,418.

(b) To be answered elsewhere.

2. (a) and (b) The Secretary of State's Canada Film Certification Office has no access to this kind of information.

3. (a) Mr. Leonard Yakir.

(b) See 2(a) above.

4. Yes.

(a) The producers are Canadians.

(b) An aggregate of six units of production for the key creative personnel was acquired for the individuals employed in the film.

(c) Not less than 75 per cent of the aggregate of the remuneration paid or payable to persons for services provided in respect of the film (other than remuneration paid or payable to, or in respect of individuals who are the producers or who performed the duties of the key creative "point" positions, or remuneration paid for processing and final preparation of the film) was paid or payable to, or in respect of services provided by, Canadians and;

(d) Not less than 75 per cent of the aggregate of all costs incurred for processing and final preparation of the film was incurred in respect of services provided in Canada.

Canadian Film Development Corporation:

1. (a) To be answered elsewhere.

(b) None.

2, 3 and 4. To be answered elsewhere.

RCMP—COMMISSION OF INQUIRY

Question No. 1,329—**Mr. MacKay:**

For the fiscal year (a) 1977-78 (b) 1978-79 (c) 1979-80, what was the per diem rate to the legal counsel at the Commission of Inquiry into Certain Activities of the Royal Canadian Mounted Police?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): The chief counsel of the Commission of Inquiry into Certain Activities of the Royal Canadian Mounted Police was paid at the rate of

(a) $100 an hour,

(b) $100 an hour,

(c) $100 an hour.

DONKIN COAL MINE

Question No. 1,434—**Mr. Crosby:**

1. Was a proposal made to the government of Nova Scotia to assist in the development of the Donkin Coal Mine in Cape Breton, directly or through the Cape Breton Development Corporation, once exploration work had been successfully completed and, if so, what was the proposal?

2. Did the government provide funds to assist in the development of the mine for future fiscal years and, if so, in what amount?

3. Who are the officers in the public service responsible for negotiations between the government of Nova Scotia and the government on the mine?

4. Was a report made to the government or any agency thereof respecting the economics of developing the mine and, if so, does the report recommend for or against development?

Hon. Pierre De Bané (Minister of Regional Economic Expansin): The response for the Department of Regional Economic Expansion is as follows: 1. It is difficult to say whether a proposal was made to the Government of Nova Scotia or made by the Government of Nova Scotia in respect of the development of the Donkin Coal Mine in Cape Breton. What is public knowledge, however, is the fact that a proposal was discussed for the development of the Donkin Mine through a separate corporation with shareholdings by Consolidation Coal Company of the United States, the Government of Nova Scotia, the Cape Breton Development Corporation (Devco) and with an expression of interest from Alberta.

2. No.

3. The responsibility for coal development in Cape Breton generally rests with the president of the Cape Breton Development Corporation. There have been no negotiations as such between Devco and the province of Nova Scotia in respect of part (1) above.

4. Several studies on the economics of developing the Donkin mine have been undertaken. Analytical observations have been made on the most appropriate timing for the development of the Donkin mine.

SHIP CONSTRUCTION SUBSIDY

Question No. 1,529—**Mr. Mazankowski:**

1. Was the construction subsidy given to Canadian shipyards reduced from 20 per cent to 9 per cent and, if so, what were the reasons behind the government's decision?

2. By province, what are the government's estimates for jobs which will be lost in the shipbuilding industry as a result of this action?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Yes. On applications received by

June 30, 1980, the rate of subsidy was 20 per cent. On applications received after that date, the rate is 9 per cent. This change was in accordance with an announcement made by the previous government in December, 1979. It was confirmed by the present government on the basis that consultations be held by a government team, with industry, with organized labour and with the provinces before making a decision on future policy for the shipbuilding industry. These consultations are now under way.

2. No jobs will be lost as a result of this action. As one indication of the health of the industry, Dome Petroleum has recently purchased Davie Shipbuilding and has announced expansion intentions.

CF-18 INDUSTRIAL BENEFITS PROGRAM

Question No. 1,541—**Mr. McKenzie:**

1. Did the government contract for industrial benefits for any province by name in the contract with McDonnell Douglas Corporation for the new fighter aircraft and, if so (a) which provinces were named (b) what is the total dollar value of any industrial spin-off allocated to any specific province?

2. What is the total dollar value of any industrial spin-off assured to the province of (a) Prince Edward Island (b) Newfoundland (c) Nova Scotia (d) New Brunswick (e) Quebec (f) Ontario (g) Manitoba (h) Saskatchewan (*i*) Alberta (j) British Columbia under the terms of the contract?

3. Will the government be meeting with (a) Standard Aero Ltd. (b) Boeing of Canada (c) Bristol Aerospace Ltd. (d) C.A.E. Aircraft Ltd. (e) Standard Aero Engine Ltd., all of Winnipeg, concerning the awarding of contracts as a result of the new fighter aircraft contract and, if so (i) on what dates (ii) on what date will the government be announcing the contracts and their dollar value?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. The CF-18 contract with McDonnell Douglas requires that the province of Quebec be the location for two new manufacturing facilities, with a total investment commitment of $63 million expected. No other specific industrial benefits are contracted for any province.

2. The majority of industrial benefits are secured in favour of Canadian industries in general, but it has been estimated that these benefits, amounting to $2.91 billion, will accrue to all provinces in all regions of Canada. See also question 882 answered June 12, 1980.

3. (1) The government regularly meets with officials of Canadian aerospace firms within the context of established programs.

(2) These companies have or will be given an opportunity to participate in the CF-18 industrial benefits program.

(3) There has been established an office which provides general advice and assistance to all Canadian firms seeking participation in the CF-18 industrial benefits program.

(4) Of course, individual companies must be willing to take advantage of these opportunities.

(5) Bristol Aerospace, for example, has received orders from the General Electric (Aircraft Engine Group) for over 600 shipsets of the F-404 engine exhaust frames. It is anticipated that this business will continue over the next several years to reach a total estimated value of $80 million. At the same time, Bristol declined to bid on any portion of the structural components package put out by McAir.

(6) The government intends to publish occasionally on contracts awarded to Canadian firms which are of general interest, and to publish regularly on the over-all progress of the program.

SALARIES OF PUBLIC SERVANTS

Question No. 1,615—**Mr. Cossitt:**

What is the total number of public servants receiving equal or higher annual salaries than the total indemnity paid to a Member of Parliament and (a) what are their names and job designations (b) what is the salary and the department in each case?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): As of October 17, 1980, the indemnity of a Member of Parliament was $30,600. Members also received a non-taxable expense allowance of $13,500. This allowance increased for certain electoral districts that over large geographic areas; as of October 17, 1980, it was $17,900 for ridings in the Northwest Territories and $16,600, for those outlined in Schedule III of the Canada Elections Act.

As of October 1980, there were 23,187 federal public servants as defined in Schedule I, part 1 of the Public Service Staff Relations Act earning over $30,600 per annum. Of these, 2,430 earned more than $45,000 per annum. These figures, however, include only personnel for whom the Treasury Board is the employer: they do not include governor in council appointments or employees of Crown agencies.

From the totals given above it is obvious that the cost in terms of time and money of attempting to list this number of persons by name, job designation, salary range and department would be prohibitive.

DE HAVILLAND AIRCRAFT OF CANADA LIMITED—ADVERTISING

Question No. 1,774—**Mr. Stevens:**

For the current fiscal year, what are the estimated expenditures of de Havilland Aircraft of Canada Ltd. for (a) advertising (b) free or subsidized publications (c) other information conveyed to the public?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

(a) Estimated expenditure for advertising is approximately 0.5 per cent of annual sales. The precise figure is held as confidential by the company in recognition of the commercial market conditions within which it operates.

(b) Estimated expenditure for free publications is:

"High Lift" $80,000

(Controlled circulation, free brochure, sent to people in the trade and the firm's employees).

(c) Estimated expenditure for other forms is:

Employment advertising $191,000.

(This budget is particularly high this year owing to Dash 8 personnel recruitment needs).

ADMINISTRATION OF GOVERNMENT FUNDS

Question No. 1,901—**Mr. Stewart:**

1. What are the names of the funds, such as the Prairie Farm Assistance Fund, Public Service Superannuation Fund, Canada Pension Plan, etc., administered by the government which are comprised of voluntary or compulsory contributions from Canadians?

2. Which of the funds are held on deposit in general or consolidated revenue?

3. What, if any, rate of interest is paid to each fund?

4. What amount, if any, is saved by the government because it is required to borrow less by using the funds?

5. What interest earnings have been denied, where interest is not paid, to contributors using commercial interest rates and what are the names of the funds?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The list below states the trust funds comprised of contributions by Canadians, as of the date this question was asked.

2. All the funds are held on deposit in general or consolidated revenue.

3. The list below states the rate of interest, if any, paid to each fund, as of the date this question was asked.

4. None.

5. None.

List of Funds Administered by the Government

Compulsory Contributions		Voluntary Contributions
Canada Pension Plan		Army Benevolent Fund
Superannuation Acounts	Public Service	Canadian Army Welfare Fund
	Canadian Forces Royal Canadian Mounted Police	Canadian Forces Personnel Assistance Fund
	Supplementary Retirement Benefits	Royal Canadian Mounted Police Benefit Fund
Unemployment Insurance Account		Veterans Administration and Welfare Trust Fund
Regular Forces Death Benefit Account		National Museums of Canada Trust Account
Members of Parliament Retiring Allowances Account		
Royal Canadian Mounted Police Dependants' Pension Fund		Past
Public Service Death Benefit Account		Halifax 1917 Explosion Pension Account
Retirement Fund		Mackenzie King Trust Account
Annuities Agents' Pension Account		Strathcona Trust Fund

Account	Type of Interest	Rate of Interest
Canada Pension Plan	weighted average on securities issued	10.5 per cent
	interest on monthly operating balance	9.45 per cent
Superannuation Accounts	Public Service) Canadian Forces) RCMP)	8.2 per cent
	Supplementary Retirement Benefits	8.63 per cent
Unemployment Insurance Account	interest on deposit with Receiver General	10.53 per cent
Regular forces death benefit account	interest on contributions	7.81 per cent
Members of Parliament retiring allowances account	quarterly interest	6.7 per cent
Royal Canadian Mounted Police Dependents' pension fund	interest on contributions	7.89 per cent
Public Service Death Benefit Account	interest on contributions	7.69 per cent
Retirement fund	interest on contributions	4 per cent
Annuities agents' pension account	interest on contributions	4 per cent
Army benevolent fund	interest on minimum monthly balance	8.9 per cent
Canadian army welfare fund	interest paid semi-annually	8.56 per cent
Canadian Forces personnel assistance fund	interest credited semi-annually	10.94 per cent
Royal Canadian Mounted Police Benefit fund	interest on contributions	9.6 per cent
Veterans administration and welfare trust fund	financed mainly by canteen profits	nil
National Museums of Canada trust account	calculated monthly on minimum monthly balance	90 per cent of rate for 3 month treasury bills
Halifax 1917 explosion pension account	interest on contributions	7.32 per cent
Mackenzie King trust account	interest on deposit	8.89 per cent
Strathcona trust fund	semi-annual interest	11.5 per cent

GRAINS SOLD UNDER CORN COMPETITIVE FORMULA

Question No. 2,103—**Mr. McKnight:**

1. For each crop year from 1976-77 to 1980-81, did the Canadian Wheat Board sell bushels of (a) barley (b) oats under the corn competitive formula and, if so (i) how many bushels by grade (ii) at what price?

2. For the same years, what was the number of bushels of (a) barley (b) oats purchased by the Canadian Wheat Board by grade and at what price?

3. What is the definition of the corn competitive formula?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. For the crop years 1976-77 to 1980-81 the board sold the following quantities under the corn competitive formula. The information is shown for each pool account which is the selling period for the crop year.

Pool Account	Barley (Tonnes)	Oats (Tonnes)
1976-77	373,606	150,739
1977-78	50,251	117,324
1978-79	34,967	116
1979-80	65,572	51,598
1980-81	Not complete as yet	

In order to protect the interests of western producers, it is the Canadian Wheat Board's policy not to divulge details of grades and prices on any sales, whether to the domestic or export market.

2. The following table shows the quantities and initial prices of the principal grades of barley and oats purchased by the Board from producers by pool account for the crop years 1976-77 through 1979-80.

Barley

Pool Account	#1 Feed Tonnes	#1 Feed Price per tonne	#2 Feed Tonnes	#2 Feed Price per tonne	Others Tonnes	Others Price per tonne	Total Tonnes
1976-77	3,463,895	$ 80.38	173,296	$ 79.00	406,747	$ 78.54	4,043,938
1977-78	2,096,121	$ 80.38	207,286	$ 79.00	584,777	$ 75.62	2,888,184
1978-79	1,811,392	$ 79.67	118,114	$ 77.67	284,141	$ 74.78	2,213,647
1979-80	2,690,616	$ 89.57	185,030	$ 87.19	209,524	$ 83.69	3,085,170

Oats

Pool Account	#1 Feed Tonnes	#1 Feed Price per tonne	#2 Feed Tonnes	#2 Feed Price per tonne	Others Tonnes	Others Price per tonne	Total Tonnes
1976-77	440,460	$ 74.57	8,013	$ 71.33	78,521	$ 74.57	526,994
1977-78	240,441	$ 74.57	23,464	$ 71.33	133,237	$ 74.91	397,142
1978-79	6,885	$ 74.00	178	$ 71.00	22,932	$ 77.53	29,995
1979-80	3,987	$ 68.08	190	$ 64.00	20,753	$ 85.59	24,930

3. Under the domestic feed grain policy the Canadian Wheat Board prices its offerings of feed grains to the domestic market on the basis of a formula which ensures that those grains are competitive with U.S. corn landed at Montreal. This formula takes into account the feeding value of wheat, oats, and barley relative to U.S. corn and soymeal. The formula price for the various feeding grades of these grains is set daily, based on the costs of U.S. corn and soymeal landed at Montreal. Handling and transportation costs from Thunder Bay to Montreal are deducted and the price is quoted instore Thunder Bay.

PENITENTIARIES—DISCIPLINARY ACTION

Question No. 2,111—**Mr. Friesen:**

1. Were there incidents in 1979 and 1980, of such a nature to precipitate internal or other inquiries which led to disciplinary action against inmates at (a) Shulie Lake Institution (b) Springhill Institution (c) Dorchester Penitentiary (d) Westmorland Institution and, if so, in each case (i) on what date (ii) what was the nature of the offence (iii) what was the punishment?

2. In which cases were the reports of the incidents made public?

Hon. Bob Kaplan (Solicitor General):

1. (i), (ii), and (iii) Data are maintained on all incidents precipitating internal or other inquiries, and, as well, on disciplinary offences by inmates. However, the two are not correlated or cross referenced and to do this would require an extensive research project for which the Correctional Service of Canada has neither the manpower nor the funds. The purpose of internal or other inquiries is to establish the facts that contributed to the incident so that action to prevent a recurrence of such an incident can be taken; it is not for the purpose of taking disciplinary action. Although an inmate may be involved in an incident and be subsequently charged with a disciplinary offence, this is not related to the convening of an inquiry.

2. It has never been the practice of the Correctional Service of Canada to make the report of inquiries public. Inquiries into most incidents often contain explicit information regarding the security of the institution which, if made public, could seriously threaten institutional security. Inquiries may also contain confidential information regarding the identity of individual staff members or inmates, which if released, could constitute a serious violation of an individual's civil rights or place the safety and wellbeing of a person in jeopardy.

Question No. 2,123—**Mr. Friesen:**

1. Were there incidents in 1979 and 1980, of such a nature to precipitate internal or other inquiries which led to disciplinary action against inmates at (a) Leclerc (b) Laval (c) Montée Saint-François (d) Sainte-Anne-des-Plaines (e) Archambault (f) Cowansville (g) Regional Reception Centre (h) Correctional Development Centre (*i*) La Macaza (j) Federal Training Centre and, if so, in each case (i) on what date (ii) what was the nature of the offence (iii) what was the punishment?

2. In which cases were the reports of the incidents made public?

Hon. Bob Kaplan (Solicitor General): See reply to question No. 2,111 answered this day.

Order Paper Questions

LIQUEFIED NATURAL GAS TERMINAL

Question No. 2,129—**Mr. Howie:**

1. Since January 1, 1980, were studies conducted by the Department of Energy, Mines and Resources concerning the location of a site for a liquefied natural gas terminal and, if so, what site or sites were recommended?

2. (a) Was any site in New Brunswick considered (b) was a site recommended and was it rejected and, if so, for what reason?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1 and 2. No studies have been conducted by the Department of Energy, Mines and Resources concerning the location of a site for a liquefied natural gas terminal. On October 14, 1980, the Minister of EM&R stated in the House, regarding the Arctic pilot project and the site of the regasification terminal, that "the decision at this point is up to Petro-Canada and the National Energy Board".

CANADIANS LIVING BELOW POVERTY LINE

Question No. 2,137—**Mr. McGrath:**

1. What is the number and percentage of unattached (a) Canadians (b) female Canadians (c) male Canadians over 65 years of age currently receiving no private pension income?

2. What percentage of the Statistics Canada poverty line does the combined old age security and guaranteed income supplement benefits for unattached persons represent for 1980?

3. What percentage of the poverty line does the combined OAS and GIS benefits for couples represent for 1980?

4. (a) During 1980, what was the number of Canadian families living below the poverty line (b) what percentage does this figure represent (c) how many families were (i) male headed (ii) female headed?

5. Of all (a) female headed (b) male headed families in Canada in 1980, what was the number and percentage living below the poverty line?

6. Between 1973 and 1980, in absolute terms, did the number of (a) female headed (b) male headed families living below the poverty line increase or decrease?

7. What percentage of all children live in families below the poverty line?

8. For 1980-81, what is the estimated cash contributions to the ten provinces and the territories under the Established Programs Financing Arrangements, excluding tax transfers and associated equalization for (a) hospital insurance (b) medical care (c) extended health care?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare and Statistics Canada as follows: 1. Based on 1976 data, the estimated population without private pension income was:

Unattached individuals aged 65 and over	Estimated population	Percentage
(a) Both sexes	490,000	74%
(b) Females	352,000	75%
(c) Males	138,000	72%

2. The income guaranteed to unattached persons through the old age security and guaranteed income supplement programs represented 82.19 per cent of the Statistics Canada low income cut-off for a medium-sized city (population 30,000-99,999) in 1980.

3. The combined income guaranteed to two-pensioner couples through the old age security and guaranteed income supplement programs represented 102.41 per cent of the Statistics Canada low income cut-off for a medium-sized city (population 30,000-99,999) in 1980.

4. Data have not yet been collected for 1980, neither are final estimates available for 1979.

(a) It is estimated that 614,000 families were below the Statistics Canada low income cut-offs in 1978.

(b) This figure represents 10.3 per cent of all families.

(c) Of the 614,000 low income families in 1978:

(i) 410,000 were headed by males and (ii) 204,000 were headed by females.

5. It is estimated that in 1978 there were:

(a) 204,000 low income families headed by females, and this figure represents 35.9 per cent of all female headed families.

(b) 410,000 low income families headed by males, and this figure represents 7.6 per cent of all male headed families.

6. The change cannot be calculated because data for 1980 and final estimates for 1979 are not available. Estimated numbers for 1973 and 1978 are as follows:

	Estimated numbers of			
	Low income families		All families	
	1973	1978	1973	1978
(a) Female headed families	204,000	204,000	453,000	568,000
(b) Male headed families	537,000	410,000	4,820,000	5,374,000

The number of low income families has decreased. The number of female headed low income families has remained stable, although it has decreased as a percentage of the total number of female headed families.

7. It is estimated that in 1978, 12.4 per cent of all children under 16 years of age lived in low income families.

8. (a) Hospital insurance $2,480,300,000.

(b) Medical care $859,600,000.

(c) Extended health care $640,400,000.

Question No. 2,142—**Mr. Friesen:**

1. Were there incidents in 1979 and 1980, of such a nature to precipitate internal or other inquiries which led to disciplinary action against inmates at (a) the Ontario Prison for Women (b) Joyceville (c) Millhaven Institution (d) Pittsburgh Institution (e) Bath Institution (f) Beaver Creek Correctional Camp (g) Regional Reception Centre (h) Warkworth Institution (*i*) Regional Psychiatric Centre (j) Collins Bay Institution (k) Frontenac Institution and, if so, in each case (i) on what date (ii) what was the nature of the offence (iii) what was the punishment?

2. In which cases were the reports of the incidents made public?

Hon. Bob Kaplan (Solicitor General): See reply to question No. 2,111 answered this day.

Question No. 2,146—**Mr. Friesen:**

1. Were there incidents in 1979 and 1980, of such a nature to precipitate internal or other inquiries which led to disciplinary action against inmates in the prairies region at (a) Stoney Mountain Institution (b) Rockwood Farm Annex (c) Saskatchewan Penitentiary (d) Saskatchewan Farm Annex (e) Regional Psychiatric Centre (f) Bowden Institution (g) Drumheller Institution (h) Edmonton Institution and, if so, in each case (i) on what date (ii) what was the nature of the offence (iii) what was the punishment?

2. In which cases were the reports of the incidents made public?

Hon. Bob Kaplan (Solicitor General): See reply to question No. 2,111 answered this day.

Question No. 2,167—**Mr. Friesen:**

1. Were there incidents in 1979 and 1980, of such a nature to precipitate internal or other inquiries which led to disciplinary action against inmates in the Pacific region at (a) Mission Institution (b) B.C. Penitentiary (c) Elbow Lake Institution (d) Ferndale Institution (e) Kent Institution (f) Matsqui Institution (g) Mountain Institution (h) Regional Psychiatric Centre (*i*) William Head Institution and, if so, in each case (i) on what date (ii) what was the nature of the offence (iii) what was the punishment?

2. In which cases were the reports of the incidents made public?

Hon. Bob Kaplan (Solicitor General): See reply to question No. 2,111 answered this day.

NRC—AID TO QUEBEC COMPANIES

Question No. 2,175—**Mr. Herbert:**

1. In the last year, did companies in Quebec receive aid from the National Research Council and, if so (a) which ones (b) what was the amount in each case (c) for what purpose?

2. Is any assistance given to firms concurrently receiving aid from either the Department of Industry, Trade and Commerce or the Department of Regional Economic Expansion and, if so, what is the budget for (a) Quebec (b) Canada (c) for similar assistance in the next year?

3. What amount was contributed by the National Research Council in the past 15 years to Hydro-Quebec?

4. What liaison mechanism is established with the Department of Agriculture that determines the respective responsibilities and participation of both funding groups?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the National Research Council and the Departments of Industry, Trade and Commerce and Regional Economic Expansion as follows: 1. Yes.

(a) Company	(b) Amount Fiscal Year 1980-81	(c) Program
Agropur Coopérative	$116,400	IRAP
Les Aliments Mont-Rouge Inc.	41,200	IRAP
Les Aliments Nova Inc.	47,300	IRAP
AMH Canada Ltée	10,000	MINI-IRAP
Amber Electro Design Ltd.	32,500	MINI-IRAP
Aquanic Inc.	24,600	MINI-IRAP
Asphalt Laboratories Ltd.	11,502	PILP
Association Coopérative des pêcheurs de Carleton	25,000	MINI-IRAP
Astro Productions Ltd.	90,500	IRAP
Les Ateliers P.A.T. Inc.	10,800	MINI-IRAP
B & K Plastic Industries Ltd.	25,000	MINI-IRAP
Bomem Inc.	50,000	PILP
CIL Inc.	363,000	IRAP
Canadair Limited	320	PILP
Canadian Marconi Company	231,941	PILP
Canadian Thermostats & Control Devices	61,000	IRAP
Canadian Vacuum Equipment of Canada	2,838	PILP
Champlain Industries Ltd.	45,400	IRAP
Chemor Corp. Ltd.	16,200	MINI-IRAP
Controtec Inc.	20,400	MINI-IRAP
Contrôles Bob Audet Inc.	6,100	MINI-IRAP
Consultronique Inc.	14,000	MINI-IRAP
Dominion Bridge	93,300	IRAP
Dominion Engineering Works	480,000	IRAP
Domtar	53,800	IRAP
Eastern Coated Papers Co. Ltd.	61,000	IRAP
Electroline TV Equipment Inc.	3,000	MINI-IRAP
Eonizer Inc.	43,400	IRAP
Eonizer Ltd.	4,200	MINI-IRAP
Equipment Monitor Inc.	52,000	IRAP
Failure Control International	12,000	MINI-IRAP
Gaza Products Inc.	21,000	MINI-IRAP
Gentec Incorporated	15,097	PILP
Honco Inc.	7,500	MINI-IRAP
I.A.F. Production Inc.	56,399	PILP
I.A.F. Production Inc.	298,900	IRAP
Industries Provinciales Ltée	103,200	IRAP
Institut de Bioendocrinologie	205,400	IRAP
Instrumentation GDD Inc.	3,000	MINI-IRAP
Isofab Inc.	9,500	MINI-IRAP
Leedye Ltd.	173,000	IRAP
MPB Technologies Inc.	46,200	IRAP
MPB Technologies Inc.	67,565	PILP
Mark Hot Inc.	101,800	IRAP
Mécart Inc.	22,900	MINI-IRAP
Merium Labs Ltd.	16,700	MINI-IRAP
Métiers d'Art Epsilon Inc.	14,200	MINI-IRAP
Mirachem Corp.	25,000	MINI-IRAP
Montreal Terra Cotta (1966) Ltd.	10,700	MINI-IRAP
Pocatec Ltée	24,900	MINI-IRAP
Potton Chemicals Ltd.	55,200	IRAP
Pratt & Whitney Aircraft Ltd.	374,200	IRAP
Pratt & Whitney Aircraft of Canada	87,000	PILP
Pulp & Paper Research Institute of Canada	585,200	IRAP
QIT-FER et Titane Inc.	113,300	IRAP
RJR Foods	119,100	IRAP
Radionics—Medical Division	4,219	PILP
Reed Ltd.	47,300	IRAP
Rochevert Inc.	57,600	IRAP
Roctest Ltée	40,100	IRAP
S&G Products Inc.	42,300	IRAP
SNC Inc.	53,900	IRAP
Saft Batteries	17,000	IRAP
Sodispro Technology	5,000	MINI-IRAP
Solutec Ltée	6,900	MINI-IRAP
Sytrolec Control Ltd.	4,000	MINI-IRAP
Tembec Inc.	95,700	IRAP
Tican Pharmaceuticals Ltd.	25,000	MINI-IRAP
Trolec Inc.	19,200	MINI-IRAP
Wilson Machine Co. Ltd.	22,600	MINI-IRAP

Note:

IRAP - Objective is to increase caliber and scope of industrial research in Canada in situations where it leads to high business effectiveness with economic benefits to Canada. Details of projects are confidential to companies.

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PILP - Objective is application and use in Canada of scientific research and engineering know-how of government R & D results.

MINI-IRAP - A salary support program to encourage R & D in small manufacturing companies.

2. Of the companies receiving assistance from NRC, the Department of Industry, Trade and Commerce is concurrently providing assistance to the following:

Company	Amount	Program
Canadair Limited	$ 9,694,143	DIPP
Canadian Marconi Company	4,789,863	DIPP
Equipment Monitor Inc.	25,725	EDP—Productivity
Gentec Inc.	108,450	EDP—Development
Mark Hot Inc.	573,682	EDP—Development
Pratt & Whitney Aircraft of Canada	33,823,671	DIPP
Roctest Ltée	129,375	EDP—Development
Saft Batteries	73,150	EDP—Development
B & K Plastic Industries Ltd.	3,895	PEMD
Bomem Inc.	4,017	PEMD
Canadian Marconi Company	33,070	PEMD
Dominion Bridge	28,482	PEMD
Dominion Engineering Works	99,389	PEMD
Gentec Inc.	2,348	PEMD
Institut de Bioendocrinologie	3,054	PEMD
Industries Provinciales Ltée	2,770	PEMD
Instrumentation GDD Inc.	3,569	PEMD
Rochevert Inc.	1,365	PEMD
(a) No budgets are established by province		
(b) Expenditures 1980-81 for Canada	— EDP	$ 55,585,000
	— DIPP	121,300,000
	— PEMD	11,112,000
(c) Budgets 1981-82 for Canada	— EDP	$ 76,368,000
	— DIPP	151,600,000
	— PEMD	7,600,000

The Department of Regional Economic Expansion offers incentives and makes payments to firms in accordance with the provisions of the Regional Development Incentives Program. Of those companies listed in response to part I, the following firms have accepted offers of incentives during the last year.

Company	Amount of Incentives
Canadian Marconi Company	$ 948,600
Dominion Engineering Works	2,488,500
Pratt & Whitney Aircrafts Ltd.	9,390,000
Montreal Terra Cotta (1966) Ltd.	280,950
Equipment Monitor Inc.	260,025

Payments will be made in future years per each offer agreement, rather than by departmental budget for a specific geographic area, with all payments in each case normally being made within 24 to 36 months of the company commencing production on a commercial basis.

3. $766,911.

4. For the projects that involve agricultural projects, the scientific liaison officer is most often from the Department of Agriculture working in a field allied to the subject of the project. In addition a staff member of the Department of Agriculture serves on the IRAP project selection committee. At the policy level the assistant deputy minister (research) Department of Agriculture works closely with senior NRC executives and has recently been appointed as a council member of the National Research Council.

CANADIAN WHEAT BOARD—FINAL PAYMENTS

Question No. 2,203—**Mr. Mazankowski:**

1. Is it the policy of the Canadian Wheat Board to announce final payments of grain sales and, if so, on what date was the latest announcement made?

2. (a) Is it the policy of the government to announce final payments of grain sales and, if so, on what date was the latest announcement made and in the name of which cabinet minister (b) has any official or non-official complaint been brought to the attention of the government and, if so (i) in what form (ii) on what date (iii) by whom (iv) what was the response of the government and on what date was it made?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1, 2. (a) It has been the practice for many years for both the Canadian Wheat Board and the government to concurrently issue press releases providing the results of the Board's pool account operations and the final payment levels. The most recent announcements were made on January 9, 1981, and pertained to the 1979-80 pool accounts. The announcement by the government was made in the name of the Minister of State responsible for the Canadian Wheat Board.

(b) On January 9, 1981, the Canadian Wheat Board advisory committee passed a motion as follows:

"That in future announcements of final payments be made by the Canadian Wheat Board and not by the Minister of State for the Canadian Wheat Board or the minister's office."

The government has noted this motion but has not responded to it.

GOUZENKO COMMISSION RECORD

Question No. 2,227—**Mr. Cossitt:**

1. With reference to the answer to question No. 50 which in part gives a list of the names of those persons appearing in the Gouzenko commission record along with details of prosecution, etc., for persons who had become fugitive, what is an up-to-date list of the disposition of all cases (a) subsequently dealt with (b) not disposed of (c) not dealt with?

2. In each case, what is the present location of all the persons listed?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):

1. (a), (b) and (c): The following is a list of those persons against whom charges arising out of the revelations made by Mr. Igor Gouzenko were laid and which were dis-

posed of finally subsequent to December 31, 1946:

Harold Samuel Gerson:

Verdict of October 11, 1946, set aside by Ontario Court of Appeal and at a second trial, found guilty on October 9, 1947, of conspiracy to commit an offence under the Official Secrets Act and sentenced to four years imprisonment.

James Scott Benning:

Appeal allowed and conviction quashed by Ontario Court of Appeal, April 24, 1947.

David Gordon Lunan:

Appeal dismissed on February 28, 1947. Also sentenced to one year for contempt of court for refusing to testify in the prosecution of Israel Halperin, which term to be served consecutively.

Philip Durnford Pemberton Smith:

Appeal dismissed by Ontario Court of Appeal on April 24, 1947.

Frederick Poland:

Acquitted on first charge on January 16, 1947. Second charge dismissed.

Israel Halperin:

Acquitted on March 4, 1947.

Henry Harris:

Found guilty on January 27, 1947, on two charges of conspiracy under the Official Secrets Act and sentenced to five years imprisonment. Appeal allowed by Ontario Court of Appeal on May 27, 1947, and conviction quashed.

Raymond Boyer:

At first trial, jury unable to reach verdict on March 31, 1947. At second trial, found guilty and sentenced to two years imprisonment on January 31, 1948. Appeal dismissed by Ontario Court of Appeal on November 30, 1948. Subsequent petition for leave to appeal to Supreme Court of Canada dismissed on December 17, 1948.

Sam Carr:

Found guilty on April 8, 1949 (after extradition to Canada from the United States) on a charge of conspiring to utter a false document contrary to the provisions of the Criminal Code and sentenced to six years imprisonment. Appeals to Ontario Court of Appeal dismissed on September 27, 1949.

Freda Linton:

Surrendered to RCMP on April 11, 1949. Charges withdrawn by the Crown on May 3, 1949, due to insufficient evidence.

2. Whereabouts unknown.

WOOD HARVESTING

Question No. 2,251—**Mr. Lapointe (Beauce):**

Since 1976, were wood harvesting contracts granted to specialized companies and, if so (a) by which department (b) to which company and for what amount in each case (c) were tenders called and, if not, in what way were the contracts granted?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment):

(a) Yes, wood harvesting contracts were granted to specialized companies.

(b) and (c) The following companies were awarded harvesting contracts.

Year	Company	$	Method of Granting Contracts
1976-7	J. McCutcheon R.R. No. 6, Kingston, Ontario	1,250	Tender
1976-7	Robert W. Laming Box 105, Portland, Ontario	840	Tender
1976-7	Crawford Tree Service, Niagara Falls, Ontario	900	Sole Source
1976-7	Moffatt Tree Removal, Preston, Ontario	750	Sole Source
1977-8	Chlorox of Canada, Industrial Park, Minto, N.B.	2,000	Tender
1977-8	Herb Shaw & Sons Ltd., 31 Sharon Street, Pembroke, Ont.	685,083	Tender
1977-8	Zigmund Biloskie, Wilno, Ontario	43,517	Tender
1977-8	Ben Lance & Sons Ltd., R.R. 1, Chalk River, Ontario	87,350	Tender
1977-8	Thomas J. Scott, St. Marjorique, Compté Gaspé, Quebec	3,750	Tender
1977-8	Moffatt Tree Removal, Preston, Ontario	225	Sole Source
1977-8	*Rolling River Indian Band, Brickson, Manitoba	49,000	*See footnote
1977-8	Romeo's Trucking, Woyakquen Trailer Park, Woyakquen, Manitoba	10,000	Tender
1978-9	Herb Shaw & Sons Ltd., 31 Sharon Street, Pembroke, Ont.	16,400	Public Auction Sale
1978-9	M.W. Miller and Sons Ltd., P.O. Box 371, Eganville, Ont.	7,500	Public Auction Sale
1978-9	Zigmund Biloskie, Wilno, Ontario	18,850	Public Auction Sale
1978-9	C.V. Risto, 384 Isabella Street Pembroke, Ontario	15,500	Public Auction Sale

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1978-9	J.B. Morgan Lumber Co., P.O. Box 224, Eganville, Ontario	17,600	Public Auction Sale
1978-9	Consolidated Bathurst Ltd., Ottawa Division Woodlands Wood Purchasing Dept., P.O. Box 68, Portage du Fort, Quebec	12,800	Public Auction Sale
1978-9	Guy Lemieux, St. Marjorique, Compté Gaspé, Quebec	4,450	Tender
1978-9	Wharram Tree Removal, Box 8065, Station A, Ottawa, Ontario	615	Tender
1978-9	Seaway Tree Removal, R.R. No. 3, Jasper, Ontario	275	Tender
1978-9	Robert W. Laming, Box 105, Portland, Ontario	650	Tender
1978-9	Robert W. Laming, Box 105, Portland, Ontario	350	Sole Source
1978-9	H. Mirasty, Little Red River Reserve, Sask.	23,974	Tender
1978-9	C.V. Risto, 384 Isabella Street, Pembroke, Ontario	6,304	Tender
1978-9	Marcel Cronier, R.R. 6—B Line, Pembroke, Ontario	27,000	Tender
1978-9	Chlorox of Canada, Industrial Park, Minto, N.B.	1,500	Timber Permits
1979-80	Herb Shaw & Son Ltd., 31 Sharon Street, Pembroke, Ontario	4,560	Tender
1979-80	Zigmund Biloskie, Wilno, Ontario	187,933.	Tender
1979-80	Hector Clouthier & Son, 245 Golf Course Road, Pembroke, Ontario	188,272	Tender
1979-80	Marcel Cronier Ltd., R.R. 6—B Line, Pembroke, Ontario	1,000	Tender
1979-80	Thomas J. Scott, St. Marjorique, Compté Gaspé, Quebec	4,500	Tender
1979-80	Seaway Tree Removal, R.R. No. 3, Jasper, Ontario	565	Sole Source
1979-80	Robert W. Laming, Box 105, Portland, Ontario	630	Tender
1979-80	H. Mirasty, Little Red River Reserve, Saskatchewan	17,500	Tender
1979-80	Chlorox of Canada, Industrial Park, N.B.	2,000	Timber Permits
1980-81	Jean Yves Cabot, Gaspé, Compté Gaspé, Quebec	2,650	Tender
1980-81	Vince Lepage, Case Postale 36, Pont Aniale, Compté Gaspé, Quebec	36,987	Tender
1980-81	Moffatt Tree Removal, Preston, Ontario	700	Sole Source
1980-81	John Beck Construction, P.O. Box 1244, Wood Street, Prescott, Ontario	800	Sole Source
1980-81	Robert W. Laming, Box 105, Portland, Ontario	515	Tender
1980-81	H. Mirasty, Little Red River Reserve, Saskatchewan	9,000	Tender
1980-81	Chlorox of Canada, Industrial Park, Minto, N.B.	288	Timber Permits
1980-81	Marcel Cronier, R.R. 6—B Line, Pembroke, Ontario	2,275	Tender

* In the case of the Rolling River Indian Band, other suppliers were unable to provide the required quantity of wood so this contract was awarded without tender.

DEMONSTRATION ON PARLIAMENT HILL

Question No. 2,263—**Mr. Cossitt:**

1. (a) To the knowledge of the government, what were the names and sources of funds of the organizations involved in the demonstrations on Parliament Hill during the visit of the President of the United States (b) were any foreign powers involved and, if so, which powers (c) was the Communist Party of Canada and the demonstrators and, if so, was there any evidence that their activities were financed from abroad?

2. Did some of the demonstrators enter Canada from Ogdensburg, New York through the constituency of Leeds-Grenville and, if so (a) what did they state as their point of origin (b) what reason did they give for entering Canada?

3. Does the government have any information as to how some 2,000 persons could find the time to perform such a highly organized demonstration?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Canada Employment and Immigration Commission and the Ministry of the Solicitor General as follows:

1. (a) The names of organizations known to have been involved in the demonstrations on Parliament Hill during the visit of the President of the United States are as follows:

Canada-El Salvador Solidarity Committee

Workers' Communist Party (Marxist/Leninist)

En Lutte

Socialiste des travailleurs

Communist Party of Canada (Marxist/Leninist)

The Greenpeace Foundation

Pollution Probe Canada

Anti-Acid Rain Committee

Amnesty International

The government is not aware of the source or sources of the funds used by these organizations for the demonstration.

(b) No foreign powers were known to be involved in the demonstrations.

(c) The Communist Party of Canada was not known to be present during the demonstration. This organization is not identical to the other Communist parties which were represented.

2. It is impossible for the commission to establish the number of people who may have entered Canada from Ogdensburg, New York for the purpose of participating in the demonstrations on Parliament Hill during the visit of the President of the United States.

3. The government is not aware how the persons demonstrating found the time to do so.

PORT FACILITIES AND THE CAST GROUP

Question No. 2,325—**Mr. Crosby:**

1. Did provincial governments make direct capital investments in port facilities operated by the National Harbours Board and, if so, what was the amount in each case?

2. Did the province of Nova Scotia invest in the Fairview Code container terminal at Halifax and, if so (a) in what amount (b) is the government obligated to or does it intend to pay back to the province the money invested and, if not, for what reason?

3. Was the Canadian Transport Commission advised of the intention of Canadian National Railways to invest first $7 million and then $42 million in the Cast Group after the inquiry held prior to 1979 and, if not, for what reason in each case?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

1. Yes.

Port of Saint John $25 million.

Port of Halifax $6.5 million.

2. Yes.

(a) $6.5 million.

(b) No, this amount will not be repaid as the amount was a grant by the province of Nova Scotia intended to improve the viability of the over-all project. The major portion of the cost was borne by the National Harbours Board with the terminal operator being responsible for the provision of container crane and equipment.

3. In July, 1980, CN invested $7 million in non-voting preference shares of Eurocanadian Shipholdings Ltd. In October, 1980, a second investment of $42.6 million was also made in non-voting preference shares of Eurocanadian. The non-voting status of these shares means that there was no change to CN's equity position within the Cast group. Since the requirement on CN to advise the CTC about share purchases relates only to those cases where CN's equity position is being altered, there was no reason to notify the commission of these two purchases of non-voting shares.

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FEATHERBED FILE

Question No. 2,361—**Mr. Cossitt:**

With reference to the answer to question No. 23 which states in part that it is not in the public interest to provide additional information on the Featherbed file, what are the (a) names and job designations of all persons who made such a decision (b) criteria used by the government to measure whether or not something is or is not in the public interest?

Hon. Bob Kaplan (Solicitor General): (a) and (b) This is clearly a matter of judgment by myself as it is my responsibility, as Solicitor General of Canada, to answer any question or notice of motion for the production of papers concerning my ministry.

CODE OF CONDUCT

Question No. 2,365—**Mr. Foster:**

1. (a) What number of Canadian companies operated in South Africa in 1979 and in 1980 and, for each year, what were their names (b) what number are operating in 1981 and what are their names?

2. What number issued "public reports" in (a) 1979 (b) 1980 (c) 1981 concerning their compliance with the government's code of conduct and, for each year, which companies did so?

3. What number issued "public reports in sufficient detail to permit assessment of their progress in realizing the objectives of the code of conduct" in (a) 1979 (b) 1980 (c) 1981 and, for each year, which companies did so?

4. What number met "the objectives of the code of conduct" in (a) 1979 (b) 1980 (c) 1981 and, for each year, which companies did so?

5. In what number of companies did the minimum wage of black employees exceed "the minimum level required to meet their basic needs . . . by at least 50 per cent", in (a) 1979 (b) 1980 (c) 1981 and, for each year, which companies did so?

6. Did the government take, or does it propose to take, action to ensure that Canadian companies operating in South Africa realize "the objectives of the code of conduct" and, if so, what is such action?

7. Is the Canadian Embassy in South Africa responsible for following developments closely and for reporting on the extent of compliance of the companies with the Code?

8. Does the government propose to take action to strengthen the provisions with respect to implementation and publicity in the Code or at least to bring the provisions into line with codes of conduct adopted for other western companies operating in South Africa and, if so, what is such action?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1 and 2. The Department of External Affairs does not maintain regular and comprehensive records of Canadian companies operating in South Africa. The code of conduct was sent to the companies listed below, a number of which may not have had operations in South Africa in 1979, 1980 or 1981 and one company has indicated that it is not a Canadian company.

1. Albany Canada Ltd.
2. Alcan Ltd.
3. Arndt-Palmer Laboratories Ltd.
4. Barringer Research Ltd.
5. Bata Ltd.
6. Bayer Foreign Investments Ltd.
7. Boyles Ltd. (Dresser Industries Ltd.)
8. Canada Wire and Cable Ltd.

9. Canadian Longyear Ltd.
10. Cominco Ltd.
11. Convexco Ltd.
12. DelCan Ltd.
13. Falconbridge Nickel Mines Ltd.
14. Ford Motor Co. Ltd.
15. G.T. Fulford Co. Ltd.
16. Geoterrex Ltd.
17. Inco Ltd.
18. Laurasia Resources Ltd.
19. Massey-Ferguson Ltd.
20. MacLean Hunter Ltd.
21. Moore Corporation Ltd.
22. Quebec Iron and Titanium Ltd.
23. Reed Stenhouse Ltd.
24. Rio Algom Ltd.
25. Scientrex Ltd.
26. Tapecrete Ltd.
27. Texas Gulf Ltd.
28. Thomson Newspapers Ltd.
29. George Weston Ltd.

The following companies have indicated that they do not have or no longer have substantive South African subsidiaries or that they have no managerial control over their South African affiliates:

1. Albany Canada Ltd.
2. Arndt-Palmer Laboratories Ltd.
3. Boyles Ltd.
4. Canada Wire and Cable Ltd.
5. Canadian Longyear Ltd.
6. DeLCan Ltd.
7. Falconbridge Nickel Mines Ltd.
8. G.T. Fulford Co. Ltd.
9. Geoterrex Ltd.
10. Laurasis Resources Ltd.
11. MacLean Hunter Ltd.
12. Quebec Iron and Titanium Ltd.
13. Rio Algom Ltd.
14. Scintrex Ltd.
15. Tapecrete Ltd.
16. Thomson Newspapers Ltd.
17. George Weston Ltd.

The following company has indicated that it is not a Canadian company:

1. Texas Gulf Ltd.

The following companies have issued public reports for 1979 on their implementation of the code of conduct.

1. Alcan Ltd.
2. Bayer Foreign Investments Ltd.
3. Ford Motor Co. Ltd.
4. Inco Ltd.
5. Massey-Ferguson Ltd.
6. Quebec Iron and Titanium Ltd.

The following companies have issued public reports for 1980 on their implementation of the code of conduct.

1. Alcan Ltd.
2. Bayer Foreign Investments Ltd.
3. Ford Motor Co. Ltd.
4. Inco Ltd.
5. Massey-Ferguson Ltd.

The following company has issued a public report for 1981 on its implementation of the Code of Conduct.

1. Alcan Ltd.

The following companies have stated that they have taken note of the standards outlined in the code, but have not issued public reports:

1. Bata Ltd.
2. Cominco Ltd.
3. Laurasia Resources Ltd.
4. Reed Stenhouse Ltd.

3, 4 and 5. With respect to questions Nos. 3, 4 and 5, the annual public reports which the government believes should be made by companies on their implementation of the code of conduct are intended to provide pertinent information to interested Canadians. The extent of progress in realizing the objectives of the code is a matter for their (interested Canadians) judgment.

6, 7 and 8. In response to questions Nos. 6, 7 and 8, the Secretary of State for External Affairs has each year drawn the existence of the code and its provisions to the attention of Canadian companies which may be operating in South Africa, and has encouraged the issuance of annual public reports. The operation of the code is under review in the light of the experience gained to date.

"CULTURES CANADA"

Question No. 2,368—**Mr. Stewart:**

1. Is Cultures Canada a publication of the multiculturalism directorate of the Department of the Secretary of State and, if so (a) how often is it issued (b) what number of man-hours are allotted to the publication (c) what is the total cost per issue and what is the unit cost per issue (d) how many copies are printed per issue and to whom are they distributed?

2. (a) What is the name of the printer and what is the cost of printing per issue, including paper costs (b) is the publication printed externally and, if so, are public tenders called for design and printing?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the multiculturalism directorate and the Department of Supply and Services as follows:

1. Yes, *Cultures Canada* is a publication of the multiculturalism directorate of the Department of the Secretary of State.

(a) Ten issues per year.

(b) One quarter person-year is allocated to the publication by the multiculturalism directorate. The amount of time involved in printing is not known as suppliers do not include this information in their bids.

(c) The average total cost per issue is $3,422. This includes the costs for the original rough designs, writing, editing, layout, markups, final artwork, typesetting and the printing charges by the Department of Supply and Services. The unit cost per issue is 57 cents.

(d) Six thousand copies per issue of *Cultures Canada* are printed. They are distributed to ethnic organizations, libraries, Members of Parliament, educational institutions related to multiculturalism and private individuals who have requested the newsletter.

Issue No.	Printer	Cost
1	See reply to question No. 1,049 answered October 6, 1980	$ 981.00
2	Canadian Government Printing Office Main Plant	1,163.91
3	National Printers (Ottawa)	1,153.33
4	National Printers (Ottawa)	1,128.48
5	National Printers (Ottawa)	1,145.92
6	Lowe-Martin (Ottawa)	995.49
7	Lowe-Martin (Ottawa)	997.75
7 (Reprint)	Lowe-Martin (Ottawa)	976.62
8	Lowe-Martin (Ottawa)	962.48
9	Lowe-Martin (Ottawa)	959.92
10	Lowe-Martin (Ottawa)	905.72

(b) Issues Nos. 3 to 10 were printed externally and tenders were called in all cases except for Issues Nos. 4 and 5. This requirement was negotiated with the previous printer because of a short lead time of two days requested by the Department of the Secretary of State.

See also question No. 1,049, answered October 6, 1980.

The Department of Supply and Services (CGPO) did not contract for the design of any of these issues, however, the rough designs were acquired by the Department of the Secretary of State by means of a letter of agreement with Communications Consultants Ltd. for a cost of $775.

FUEL TAX REBATE

Question No. 2,371—**Mr. McKnight:**

For the past two years to date, what percentage of the total cost incurred with respect to the filing and processing of the application regarding the fuel tax rebate for farmers was administrative?

Hon. William Rompkey (Minister of National Revenue): For the two years ending April 10, 1981, the cost of filing and processing the application for refund of excise gasoline tax for farmers in estimated at 0.85 per cent of the total cost for refund of excise gasoline tax for farmers.

FEATHERBED FILE

Question No. 2,376—**Mr. Cossitt:**

Since the government instituted a review as to whether or not the Taschereau papers on national security should be released for public view, will it reconsider its refusal to make public the Featherbed file and, if so, will some person or persons be appointed to review the matter and report to Parliament?

Hon. Bob Kaplan (Solicitor General): The hon. member is referred, *inter alia,* to question No. 22 answered March 4, 1981; question No. 23 answered April 7, 1981; questions Nos. 24 and 26 answered July 18, 1980; question No. 25 answered January 12, 1981; question No. 100 answered June 26, 1980; and question No. 1,334 answered January 21, 1981.

TRUST FUNDS FOR INDIAN BANDS

Question No. 2,392—**Mr. Blenkarn:**

1. With reference to the answer to question No. 2,021 (a) what is the total amount held by the government in trust for treaty Indians and is the trust fund broken down on a band basis (b) is the money spent on behalf of status Indians who may be band members or is it spent on behalf of treaty Indians?

2. Is the government using treaty money to support the activities of Indians who are only status Indians and, if so, on what basis is the government using the treaty funds?

3. If treaty trust funds are maintained for individual bands, which members of the bands are entitled to benefit from the funds?

4. Does the government use treaty trust funds resulting from the sale of treaty lands other than for the benefit exclusively of treaty Indians and, if so, for what reason?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Parts 1, 2, 3 and 4.

As stated in the reply to question No. 2021, answered on April 9, 1981, trust funds are maintained for individual Indian bands rather than on the basis of treaties. The Department of Indian Affairs and Northern Development has no record of a treaty trust fund and no accounts known as treaty trust funds.

Order Paper Questions

URANIUM TRIOXIDE REFINERY

Question No. 2,435—**Mr. Blaikie:**

1. Did the Department of National Health and Welfare participate in the Atomic Energy Control Board Review of the proposed uranium trioxide refinery at Blind River and (a) if not, for what reason (b) if so, did the department confirm AECB's decision to give site approval for the refinery?

2. Was the proposal reviewed by the Radiation Protection Bureau of the Department and, if not, for what reason?

3. Is it government policy to grant site approvals in cases such as this without review by the radiation protection bureau?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1 and 2. The radiation protection bureau of the Department of National Health and Welfare reviewed the original proposal for a uranium hexafluoride refinery at Blind River. The views of the bureau were presented at public hearings. The bureau has reviewed the new proposal for a uranium trioxide refinery at Blind River. This review will be sent to the Atomic Energy Control Board in June 1981.

3. The Department of National Health and Welfare acts as the principal, though not exclusive, health adviser to the Atomic Energy Board. This is an advisory role to the board.

PURCHASE OF LANGUAGE TRAINING

Question No. 2,443—**Mr. Young:**

1. What is the base purchase of manpower seats in ESL (English as a second language) at George Brown College for 1981?

2. What are the supplementary purchases in ESL at the college?

3. What are the policies concerning sponsored immigrants and manpower training in ESL seats?

4. Was there a reduction in the number of seats purchased for 1981 in upgrading at the college?

5. Is there a change in policy of manpower retraining concerning upgrading and, if so, what is the change?

6. Is there an indication of the base and/or supplemental purchases in ESL for 1982?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. 500 for fiscal year 1981-82.

2. 60 as of May 12, 1981.

3. Second language courses are offered by the Canada Employment and Immigration Commission to immigrants who need this kind of assistance to remove the employment barrier which impedes their job search efforts. Training allowances are paid only to immigrants in the "independent" category and to government-sponsored refugees who are either convention refugees, members of a designated class or holders of a minister's permit.

4. Yes: 37 less in academic upgrading courses for fiscal year 1981-82.

5. Since April 1, 1981, lower level upgrading courses (below grade 7) are no longer purchased by the commission. Trainees in educational upgrading courses must now be either 21 years of age or over, or have been away from school for at least two or three years according to the eligibility criteria that have been adopted in each province. More emphasis is now placed on the usefulness of upgrading in a client's career development plan. The volume of higher level upgrading course purchases must be directly related to the number of planned training places in skill courses with a grade 11 or 12 prerequisite.

6. No. It is too soon to estimate purchases for fiscal year 1982-83.

MINISTER'S STAFF—CANADIAN WHEAT BOARD

Question No. 2,450—**Mr. Neil:**

How many personal staff members are employed by the Minister of State (Canadian Wheat Board) and, in each case (a) what is his/her name, office location and salary (b) what are his/her duties?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Minister of State (Canadian Wheat Board) exempt staff on May 12 was as follows:

(a) and (b)

Albert Chambers, executive assistant, salary up to $35,000

25th floor, Tower "C", Place de Ville

Paul Brettle, special assistant (press relations), salary up to $30,000

25th floor, Tower "C", Place de Ville.

Bob Lyster, special assistant, salary up to $30,000

suite 205, 222–13th Ave., Regina, Saskatchewan

Mrs. Gail Ladouceur, a/private secretary, salary up to $23,000

room 185-S, The Senate

Mrs. Dorothy Donnelly, secretary, salary up to $14,900

suite 205, 2222–13th Ave., Regina, Saskatchewan

GRANTS TO SYDNEY STEEL CORPORATION

Question No. 2,452—**Mr. Murphy:**

1. What was the amount of grants that the government committed to the Sydney Steel Corporation (Sysco) for each year 1968 to date?

2. What was the amount of loans guaranteed or non-guaranteed granted to the corporation since 1968?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

Amounts of grants committed to Sysco for each year 1968

(1) Amounts paid under the regional industrial incentives programs:

1972-73	$ 2,015,025
1973-74	1,752,706
1974-75	941,933
1975-76	—
1976-77	765,950
1977-78	6,000,000
1978-79	245,999
	$ 11,721,613

Sydney Steel Corporation assistance program

1977-78	$ 4,436,000
1978-79	8,976,000
1979-80	1,717,000
	$ 15,129,000

Planning Sub-Agreement (2 Sysco studies)

1976-77	$ 38,140
1977-78	74,850
	$ 112,990

Industrial Development Sub-Agreement (Sysco capital repair)

1979-80	$ 138,000	(Maximum DREE commitment
1980-81	3,645,000	to Sysco under this sub-agreement is $6,000,000)
	$ 3,783,000	

Sysco II — Federal share committed $77 million

2. No loans have been guaranteed or non-guaranteed by DREE.

GRANTS TO CAPE BRETON DEVELOPMENT CORPORATION

Question No. 2,453—**Mr. Murphy:**

What was the total amount, by year and general totals, expended by the government on the Cape Breton Development Corporation (Devco) in terms of (a) capital funds (b) funds to recover loss (c) total funds for pre-retirement leave and pensions?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): I am informed by the Cape Breton Development Corporation that the response is as follows:

Period	(b) Coal Losses	(a) Coal Capital	Industrial Development	(c) Pensions Funding, P.R.L. (1)
	$000			
Nine months ending December 31, 1968	17,100	25,000	20,000	886
Year ending Dec. 31/69	21,935			2,762
Year ending Dec. 31/70	25,778			4,522
Year ending Dec. 31/71	28,830			5,630
Year ending Dec. 31/72	32,625	9,459		6,545
Year ending Dec. 31/73	30,434	1,966	7,000	7,005
Three months ending Mar. 31, 1974	5,464	4,939		1,790
Year ending Mar. 31/75	28,927	22,265	8,660	8,324
Year ending Mar. 31/76	13,941	27,777	5,096	9,520
Year ending Mar. 31/77	25,540	27,100	4,785	11,238
Year ending Mar. 31/78	21,976	14,476	7,340	13,364
Year ending Mar. 31/79	10,726	26,105	7,312	14,309
Year ending Mar. 31/80	13,980(2)	34,611	7,835	15,926
Year ending Mar. 31/81	5,677	60,442	8,225	17,707
	$282,933	$254,140	$76,253	$119,528

Total funds provided to corporation 1968 to March 31, 1981:

Coal losses	$282,933,000
Coal capital	254,140,000
Industrial development	76,253,000
	$613,326,000

(1) Pension payments, pension funding payments and preretirement leave, are included in the coal loss vote and as such as included in the figures appearing under coal losses above as well as in the separate column for these amounts.

(2) The net funding requirements to cover the coal loss for the year ending March 31, 1980, were actually voted through supplementary estimates (B) for the year ending March 31, 1981.

INCOME TAX

Question No. 2,467—**Mr. Cossitt:**

1. By province, what is the estimated number of persons or limited family companies that engage in all forms of agriculture and what is the estimated percentage of those who pay income tax?

2. In the last year for which figures are available, were there more investigations and/or prosecutions for non-payment of income tax in any two particular provinces and, if so, which provinces and what was the number of investigations and/or prosecutions?

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): 1. The number of taxfilers who reported any income (or loss) from farming and the percentage who paid taxes for 1979 (latest year available) is as follows:

	Persons Engaged in Agriculture		
	Number	Number Who Paid Taxes	Per Cent of Total
Newfoundland	496	313	63.1
Prince Edward Island	3,426	2,275	66.4
Nova Scotia	5,685	4,159	73.2
New Brunswick	4,312	2,891	67.0
Quebec	46,412	20,831	44.9
Ontario	115,767	71,629	61.9
Manitoba	43,357	23,275	53.7
Saskatchewan	93,372	63,476	68.0
Alberta	89,023	59,306	66.6
British Columbia	26,951	20,049	74.4
Others*	550	358	65.1
Canada	429,351	268,562	62.3

* Others includes Yukon, Northwest Territories and non-residents who reported farming income.

2. In the fiscal year 1980/81, the two provinces which had more investigations and/or prosecutions for fraudulent non-payment of income taxes were Quebec and Ontario. The numbers are as follows:

	Number of Investigations	Number of Prosecutions
Quebec	48	25
Ontario	116	69
All Canada	257	158

Order Paper Questions

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 2,487—**Mr. Forrestall:**

For each of the past five years under the defence industry productivity program (a) how many companies received funding and how many repaid the funding (b) what was the amount paid to companies and what was the amount repaid by companies?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

DIP Funding ($ millions)

Year	No. of Companies	Vote 10 Contribution	No. of Companies	Vote L-30 Loans	Total Contributions and Loans
1976/77	63	$44.9	38	$5.5	$50.4
1977/78	53	43.2	33	4.3	47.5
1978/79	68	52.2	45	6.0	58.2
1979/80	87	57.9	61	14.2	71.8
1980/81	68	94.9	44	21.4	116.3

DIP repayments

Year	No. of Companies	Contributions	No. of Companies	Loans	Total Repayments
1976/77	6	$ 398,558.28	153	$5,860,488.88	$ 6,259,047.16
1977/78	6	2,930,570.52	128	4,792,362.68	7,722,933.20
1978/79	4	3,260,052.10	126	5,037,626.50	8,297,678.60
1979/80	4	605,566.30	158	5,697,811.15	6,303,377.45
1980/81	4	6,121,897.00	120	5,907,721.89	12,029,618.89

Loans by definition are repayable, these loans are interest free. Contributions up to 50 per cent of project costs are repayable only when profits are deemed to be above fair and reasonable. Any contributions beyond 50 per cent of project costs are repayable on a formula basis. Hence, loan repayments normally exceed contribution repayments.

DEPARTMENT OF JUSTICE—COST OF BOOKLETS

Question No. 2,499—**Mr. Stewart:**

1. Did Graphic Realm Ltd. receive $148,552 from the Department of Justice for the provision of saddle-stitched booklets and, if so, what was the (a) title of the booklet (b) cost per booklet (c) number printed?

2. To whom were the booklets distributed?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice and Supply and Services as follows: DSS awarded a contract, on behalf of the Department of Justice, to Graphic Realm Ltd., for an amount of $148,552. Due to amendments to the number of pages and the increase in quantity the value of the contract increased to $217,718.80.

(a) Title of booklets	(b) Cost per booklet	(c) Number printed
The Working Person	30.4 cents	306,000
Small Business	40.7 cents	306,000

2. The booklets are distributed, on request, to individuals, groups, associations, and through Canadian Unity Information Office travelling exhibitions.

DEPARTMENT OF JUSTICE—COST OF FOLDERS

Question No. 2,500—**Mr. Stewart:**

1. Did McLaren, Morris and Todd Ltd. receive $81,383 from the Department of Justice for folders and, if so, what was the (a) nature of the folder (b) cost per folder?

2. How were the folders utilized?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice and Supply and Services as follows: On behalf of the Department of Justice, DSS awarded a contract to McLaren, Morris & Todd Ltd. for the amount of $81,383, covering four folders. Due to an increase in quantities, the value of the contract increased to $87,968.99.

1. (a) Nature of folders

1 Our Country

2 Our Natural Wealth

3 Hidden Treasures

4 Opportunities and Challenges

(b) Cost per folder 6.84 cents.

2. The folders are distributed, on request, to individuals, groups, schools, organizations, and through the Canadian Unity Information Office travelling exhibitions.

DEPARTMENT OF JUSTICE—COST OF BOOKLETS

Question No. 2,502—**Mr. Stewart:**

1. Did Imprimerie Canadian Gazette receive $67,103 from the Department of Justice for saddle-stitched booklets and, if so, what was the (a) title of the booklet (b) cost per booklet (c) number printed?

2. To whom were the booklets distributed?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice and Supply and Services as follows: DSS awarded a contract, on behalf of the Department of Justice, to Imprimerie Canadian Gazette for the amount of $67,103 for saddle-stitched booklets. Due to the result of additional pages and overtime, the value of the contract increased to $85,386.49.

1. (a) Title of the booklet—The Senior Citizen;

(b) Cost per booklet—27.9 cents;

(c) Number printed 305,835.

2. The booklets are distributed, on request, to individuals, groups, organizations, and through the Canadian Unity Information Office travelling exhibitions.

TRIDENT AIRCRAFT LIMITED

Question No. 2,506—**Mr. Munro (Esquimalt-Saanich):**

1. Were arrangements made to sell the moveable assets of the Trident Aircraft Company of Sidney, British Columbia and, if so, on whose instructions?

2. (a) What organization was put in charge of the disposal (b) did the firm have experience in winding up aircraft production enterprises and, if not, on what criteria was it chosen?

3. (a) What value was placed on the machinery, machine tools and material inventory to be liquidated (b) did the assessors have access to the records of purchase to evaluate the stock (c) what amount was realized from the liquidation sale?

4. Were arrangements made between federal and provincial authorities to divide the proceeds of the liquidation of the company and, if so (a) what were they (b) what amount was returned to the federal treasury and what amount to the provincial treasury?

5. What amount was paid to the auction company that conducted the sale?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Yes, with the exception of the aircraft, tooling and documents necessary to manufacture the Trigull aircraft (the "production package"), and two large pieces of production equipment. Agreement was obtained between Trident, British Columbia Development Corporation and the Department of Industry, Trade and Commerce. The production package is held at Sidney, B.C., while efforts continue to locate a company capable of putting the Trigull into production on a sound commercial basis.

2. (a) Maynards Industrial Auctioneers.

(b) The firm was not commissioned with the winding-up of Trident Aircraft Limited. Maynards is experienced in the disposing of machine tools and materials with which it was contracted to do.

3. (a) The estimated value of equipment to be disposed of (i.e. excluding the production package) was $200,000 to $300,000.

(b) Yes.

(c) All items have not been sold as yet.

4. (a) The federal government has first call on proceeds subject to B.C. law.

(b) The federal government has received $75,000 to date. The provincial government has received nothing.

5. No payment has yet been made to Maynards. The company's standard charges will apply, 12 per cent.

CMHC—YUKON AND NORTHWEST TERRITORIES

Question No. 2,516—**Mr. Oberle:**

1. What residual functions do the Canada Mortgage and Housing Corporation provincial directors for British Columbia/Yukon and Alberta/Northwest Territories have in the housing activity of the two territories?

2. How many housing units were produced or rehabilitated in 1979 and 1980 in the (a) Yukon Territory (b) Northwest Territories under (i) section 15.1, private and non-profit (ii) section 40, rural and native housing (iii) section 34.1, urban rehabilitation (iv) section 34.1, rural rehabilitation, of the National Housing Act?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: 1. None.

2. The NHA activities in the two territories are as follows:

	(a) Yukon Territory Units		(b) Northwest Territories Units	
	1979	1979	1979	1980
(i) Section 15.1	—	—	—	—
(ii) Section 40	—	4	2	4
(iii) Section 34.1 (urban)	—	—	—	—
(iv) Section 34.1 (rural)	—	—	34	—

CUSTOMS POSTAL STATIONS IN CANADA

Question No. 2,520—**Mr. Blenkarn:**

1. (a) What is the distribution of customs postal stations throughout Canada (b) what are the criteria for establishing the stations?

2. How does the distribution in Mississauga, Ontario compare to the national average in terms of (a) number of persons served per station (b) distance of the station from the persons served for communities with a population of 25,000 or more?

Hon. William Rompkey (Minister of National Revenue):

1. (a) There are 231 customs postal stations throughout Canada. The distribution of these stations by province is as follows: Newfoundland, 15; P.E.I., 3; Nova Scotia, 20; New Brunswick, 20; Quebec, 55; Ontario, 77; Manitoba, 3; Saskatchewan, 9; Alberta, 5; B.C., 21; Yukon, 2; N.W.T., 1.

(b) Customs postal stations are established when there is sufficient public demand to warrant separate facilities, keeping in view the need to provide for the maximum utilization of limited staff resources. In this regard, Customs postal stations are normally provided from offices which serve other modes of transport as well as postal.

2. (a) There is an average of approximately 100,000 people served per customs postal station. The west Toronto customs postal station serves those communities in west Toronto as well as Mississauga which comprises approximately 750,000 people.

(b) As per the Canada Gazetteer Atlas, 1980, there are 124 communities in Canada having a population of 25,000 or greater. There are 68 of these communities served by customs postal stations located within the "core" area. It is estimated that the majority of the people in these communities live within 10 kilometres of the customs postal station. The remaining 56 communities are served by customs postal stations located outside their "core" areas. The majority of the people in these communities, on the average, live approximately 15 kilometres from

a customs postal station. The majority of the people in Mississauga live approximately 13 kilometres from the customs postal station at 330 Keele St.

CENTAUR THEATRE—CONTRIBUTIONS

Question No. 2,532—**Mr. Herbert:**

1. In each of the past five years, did the government or any of its corporations or agencies make a contribution to the Centaur Theatre in Montreal and, if so, for what amount?

2. For the same period, to the knowledge of the government, what amount was contributed by the government of Quebec?

Hon. Francis Fox (Minister of Communications): 1. Financial assistance from the Secretary of State Department to the Centaur Theatre in Montreal:

1975: $500,000 capital assistance

1. I am informed by the Canada Council as follows: Grants to the Centaur Theatre in Montreal:

1975-76	$140,000
1976-77	167,500
1977-78	175,000
1978-79	190,000
1979-80	210,000

1. I am informed by the Canadian Radio-Television and Telecommunications Commission, the Public Archives, the National Library, the Social Sciences and Humanities Research Council, the National Film Board, the National Arts Centre, Teleglobe Canada, the National Museums and the Canadian Film Development Corporation, as follows: No.

2. This information should be sought from the government of Quebec.

LIEUTENANT-GOVERNORS—SALARY AND ALLOWANCES

Question No. 2,543—**Mr. Cossitt:**

1. With reference to the lieutenant governor of each province, what amount was contributed by the government in each of the past three years and what amount is projected for this year for his/her salary, allowance or anything else?

2. Are some provinces awarded considerably larger sums than others and, if so, for what reason?

3. Does the lieutenant governor of Quebec receive the highest figure and, if so, for what reason?

Hon. Francis Fox (Minister of Communications):

1. (a) The annual salary of the lieutenant governors is $35,000 as laid down in 1975 by chapter 56 of the Statutes of Canada, 1975.

(b) (i) Allowances for expenses incurred in the provincial capitals:

	1978-79	1979-80	1980-81	1981-82
Nfld.	$12,000	$12,000	$12,000	$13,000
P.E.I.	10,000	10,000	10,000	11,000
N.S.	12,000	12,000	12,000	13,000
N.B.	12,000	12,000	12,000	13,000
Que.	18,000	18,000	18,000	20,000
Ont.	18,000	18,000	18,000	20,000
Man.	15,000	15,000	15,000	17,000
Sask.	15,000	15,000	15,000	17,000
Alta.	15,000	15,000	15,000	17,000
B.C.	18,000	18,000	18,000	20,000

(ii) Allowances for travel expenses and the cost of receptions outside the provincial capitals (the sum of $120,000 is provided in the budget and this is divided according to estimates submitted by the lieutenant governors):

	1978-79 paid	1979-80 paid	1980-81 paid	1981-82 paid
Nfld.	$22,077	$22,077	$ 9,109	$15,000
P.E.I.	8,599	2,142	5,920	5,000
N.S.	5,295	6,650	5,934	8,000
N.B.	16,808	5,396	5,602	7,000
Que.	14,281	6,245	14,559	15,000
Ont.	26,757	18,211	16,465	20,000
Man.	9,590	8,188	10,945	10,000
Sask.	18,862	12,731	13,436	15,000
Alta.	8,030	3,358	3,857	8,000
B.C.	16,449	13,265	11,845	15,000

2. The above tables show the amounts received from federal government. The provinces make contributions for their lieutenant governors, notably for staff, office, official residence and car. These contributions vary from province to province.

3. See paragraph 2.

NOTICE OF REASSESSMENT

Question No. 2,562—**Mr. Cossitt:**

1. When the Department of National Revenue sends out a notice of reassessment to a taxpayer showing an additional amount owing above what was paid, is interest charged from the date of the notice of reassessment and, if so, for what reason?

2. Does the department take into account the time it takes for the notice to reach a taxpayer by mail and, if not, for what reason?

3. Does the department take into account the time it takes for the payment to reach the department from the taxpayer by mail even if it is returned immediately and, if not (a) for what reason (b) is extra interest being charged as a result of circumstances beyond the control of the taxpayer and will the government take steps to change the situation?

Hon. William Rompkey (Minister of National Revenue): 1. Yes. In addition, interest is charged from the expiration of the time for filing the return of income to the date of reassessment as prescribed under section 161 of the Income Tax Act.

2. Yes.

3. When a notice of assessment or reassessment is issued, interest is calculated to the date of the notice. Provided payment in full is received within 30 days of the date of the notice no further interest is charged.

BILATERAL TAX TREATIES

Question No. 2,573—**Mr. McKinnon:**

1. Did the government enter into a new tax treaty with various countries in December, 1980, which meant that pensions paid by the other countries to persons living in Canada could be taxed by the paying country?

2. (a) Does the new treaty state that the paying country will not levy any tax on the first $10,000 or £5,000 of pension in a year (b) does the exemption apply to pensions paid by Britain to residents in Canada and, if not, for what reason?

Hon. William Rompkey (Minister of National Revenue): 1. Bilateral tax treaties with Austria, Barbados, Indonesia, Italy, Republic of Korea, Malaysia, Romania, Spain, and the United Kingdom came into force in December, 1980, or January, 1981. The treaties have articles which provide generally that pensions paid by these countries to people living in Canada may be taxed by these paying countries with the exception of the Romanian treaty which does not have a pension article.

2. (a) The Canada-Italy treaty provides that pensions may be taxed in the paying country but only to the extent that the amount paid to a resident of the other country exceeds $10,000 or 12 million liras, whichever is the greater. The Canada-United Kingdom treaty provides that pensions may be taxed in the paying country but only to the extent that the amount paid to a resident of the other country exceeds $10,000 or £5,000, whichever is the greater.

(b) The exemption does not apply to pensions paid out of public funds of the United Kingdom or Northern Ireland or of the funds of any local authority in the United Kingdom. United Kingdom negotiators insisted that this exemption should not apply to these specific United Kingdom government pensions.

RCMP "E" HEADQUARTERS

Question No. 2,574—**Mr. McKinnon:**

Will the RCMP "E" Division headquarters be moved from Victoria to Vancouver and, if so (a) how many persons now working in Victoria will have their positions moved to Vancouver (b) for those employees who decide to move, who will absorb the additional expenses including (i) the differential in housing prices between the Vancouver and Victoria areas (ii) increased interest costs resulting from those obliged to accept new mortgages for Vancouver homes (iii) removal expenses (c) was a poll taken among those persons employed in Victoria to determine how many would not move to Vancouver even though their positions were transferred (d) did the RCMP and the Solicitor General authorize the move with no idea of the costs involved?

Hon. Bob Kaplan (Solicitor General): Yes.

(a) 195.

(b) Government funding will be provided in accordance with Treasury Board relocation directive.

(i) and (ii) Treasury Board relocation directive does not make provision for government funding of such expenses.

(iii) Government funding will be provided for removal expenses in accordance with Treasury Board relocation directive.

(c) Yes.

(d) No.

OLD AGE SECURITY

Question No. 2,575—**Mr. Baker (Nepean-Carleton):**

1. Did the government renew or attempt to renew discussions with the government of the United Kingdom with a view to convincing that government to reconsider its policy of refusing to index the pensions of British pensioners after they take up residence in Canada?

2. Is it the present policy of the government to pay to Canadians born in other countries only one-fortieth of the old age security pension for every year of residence in Canada, with a ten-year minimum qualification period, and, if so, has the government considered an alternative to the policy?

3. Does the government consider Canadians of British origin are left without an adequate pension from either the United Kingdom or Canada?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. The minister has approached the government of the United Kingdom about this issue on more than one occasion. On January 9, 1978, following the exchange of a number of notes, the minister met in London with the Hon. David Ennals, then British secretary of state for social services. No tangible results were effected. (Prior to this meeting, the Hon. Marc Lalonde had discussed the subject with Mr. Ennals in April, 1977, and on two separate occasions in June, 1977, and December, 1978, the Prime Minister drew the attention of his British colleague to this issue). On October 22, 1980, the minister met with the Hon. Patrick Jenkin, secretary of state for social services, in London. The first subject raised was the possibility of there being a reciprocal social security agreement of the standard type between Canada and the United Kingdom, which would ensure the indexing of pensions paid by the United Kingdom to beneficiaries residing in Canada. Mr. Jenkin indicated ways by which he has had to cut social expenditures in the United Kingdom. He then stated categorically that it would not be possible for the United Kingdom to contemplate any new agreements, and that there was no possibility at all for an agreement between the two countries in the foreseeable future. Since then, there has been no change in the attitude of the British authorities.

2. The Old Age Security Act stipulates that a person who was under 25 years of age on July 1, 1977, or who was over 25 on that date but had no prior residence in Canada after his or her 18th birthday, would earn the right to an old age security pension at the rate of 1/40th for each complete year of residence in Canada after age 18, subject to a minimum of 10 years for payment in Canada and 20 years for payment abroad.

3. All benefits paid under Canadian legislation are paid in accordance with that legislation and are not based on citizenship. In the case of the Old Age Security Act, benefits are paid on the basis of residence in Canada and are the same for all beneficiaries. In the case of the Canada Pension Plan, benefits are paid in accordance with contributions made. The government regrets that the government of the United Kingdom does not index its benefits paid to U.K. citizens living in Canada.

However, this is the prerogative of the government of the United Kingdom.

BUREAU OF MANAGEMENT CONSULTING

Question No. 2,586—**Mr. Howie:**

1. Were consultants provided by the Bureau of Management Consulting to the Canadian International Development Agency from April 1, 1978 to date and, if so, by fiscal year (a) how many (b) what amount was paid for their services?

2. Does the use of the bureau circumvent the normal consultant approval procedures within CIDA or the government consultant approval procedures set out by the Treasury Board?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. From April 1, 1978, to date the Bureau of Management Consulting, in accordance with the mandate of the Department of Supply and Services to provide management consulting services on the request of departments, provided consultants to CIDA to work on fifteen different projects in five different branches of the agency. The number of individual consultants who worked for varying lengths of time on these projects, and the amount paid for their services, are expressed below:

	Fiscal Year			
	1978-79	1979-80	1980-81	(April & May) 1981-82
(a) No. of consultants	66	55	89	59
(b) Amount paid	$2,552,000	$1,971,000	$3,056,000	$471,000

2. The use of consultants from or through the Bureau of Management Consulting does not require approval from the Treasury Board. The use of consultants from or through the Bureau of Management Consulting is subject to the consultant approval procedures within CIDA.

DREE—FULL-TIME STAFF

Question No. 2,588—**Mr. Howie:**

How many full-time employees were on the staff of the Department of Regional Economic Expansion as of April 1 (a) 1979 (b) 1980 (c) 1981?

Hon. Pierre De Bané (Department of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

(a) 1,933;

(b) 1,879;

(c) 1,945.

DIPP CONTRIBUTIONS TO CAE ELECTRONICS LTD.

Question No. 2,598—**Mr. McKinnon:**

1. Is the Department of Industry, Trade and Commerce, under the defence industry productivity program, contributing to CAE Electronics Ltd. 50 per cent of the non-recurring unrecovered development costs associated with the production of a Boeing B757 simulator, a Boeing B767 simulator, an Airbus A310 simulator, and an Airbus A300 simulator to a total of $4,607,666 and, if so, to the knowledge of the government, did the company identify a potential or existing market for the simulators?

2. Does the company expect a certain future sales value for the products and, if so, what is that value?

3. Does the company have any firm contracts for the simulators and, if so, with whom?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. As stated in reply to question No. 2,508 on June 4, 1981, the Department of Industry, Trade and Commerce is contributing to the development of simulators. Contributions are being made to CAE Electronics Ltd., Montreal, Quebec and total $4,607,666. Identification of potential export markets is a requirement for DIPP contributions.

2. The company expects a certain future sales value of $118.5 million for these simulators. Additionally, a potential market exists for these products of up to $820 million.

3. The company has firm contracts totalling $53.4 million for these simulators with the following airlines:

United Airlines, U.S.A.

TOA Domestic Airlines, Japan

Singapore International Airlines

Lufthansa German Airlines, FRG

Eastern Airlines, U.S.A.

British Airlines, U.K.

Air Canada

PRIME MINISTER'S OFFICE—NEW DESK

Question No. 2,599—**Mr. Cossitt:**

1. Did the Prime Minister recently obtain a new desk for his office at a cost of approximately $2,500 to be paid for by the government?

2. Was the desk constructed of limestone and, if so, did the limestone come from the area of Cambridge, Ontario?

3. Were other areas where limestone could be obtained given consideration?

4. Was consideration given to the large quantities of limestone available in the constituency of Leeds-Grenville and, if so, was it not selected on the grounds that (a) it possibly would be "bugged" (b) it possibly would be treated with a harmful substance or in any other way dangerous to the welfare of prime ministers?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. The desk has not been received as yet. However, the approximate price of the limestone ordered and cut, is $2,500. The labour to finish it and the installation is extra to the basic cost.

2. Yes, the desk is Amable Limestone from the area of Cambridge, Ontario.

3. Yes, a province wide search was made for the most suitable limestone.

4. Successive editions of Beauchesne's Parliamentary Rules and Forms make it clear that "A question, oral or written must not be ironical, rhetorical, offensive, or contain epithet, innuendo, satire or ridicule . . . be trivial, vague or meaningless . . . be hypothetical . . . contain inferences . . . contain imputations . . ." and even if the authorities of the House

permit such questions to be put down, the government will not answer them.

VIRUS LABORATORY

Question No. 2,600—**Mr. Baker (Nepean-Carleton):**

Will a new virus laboratory be constructed by the Department of Public Works in Ottawa and, if so (a) what will be the exact location (b) on what date will construction begin (c) what will be the nearest residential communities and the distance between each community and the laboratory (d) are there public health considerations and, if so, how will they be met?

Hon. Paul J. Cosgrove (Minister of Public Works): The Department of Agriculture has identified a requirement for an animal virus laboratory, and has been discussing its provision with the Department of Public Works. However, no final decision has been taken yet on the location of this facility: Ottawa or some other city.

"LAND/TERRE" NEWSLETTERS

Question No. 2,622—**Mr. Stewart:**

Did the Department of the Environment pay $48,000 to J. Phillip Nicholson, Ottawa, for four Lands Directorate newsletters and, if so (a) what is the newsletter (b) what was the number distributed (c) to whom was it distributed (d) what services did Mr. Nicholson perform?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and Supply and Services as follows: Yes. A contract was awarded to J. Phillip Nicholson, policy management consultant, Ottawa, Ontario, on May 7, 1981, for $48,000 for four Lands Directorate newsletters entitled "Land/Terre" in English and French.

(a) The Land/Terre newsletter was planned as a principal source of contact between and among all professionals, academics and interest groups concerned with Canada's land resources. It has been designed to provide a national view and accounting of events, issues and discoveries at all levels across the country.

(b) To date, there have been three issues of Land/Terre. The numbers distributed for each issue are as follows: Volume 1, No. 1: 7,000 English and 1,100 French; Volume 1, No. 2: 10,500 English and 1,800 French; and Volume 2, No. 1: 10,500 English and 2,000 French. The fourth issue was distributed in August, 1981.

(c) The newsletter has been distributed to the following: professional planners, land managers and researchers; government officers and senior managers; municipal, provincial and federal elected representatives; non-government special interest groups; educational institutes and professionals; publishers; reporters; and private individuals.

(d) Production of four separate 12-page English and French issues of Land/Terre (Lands Directorate Newsletter) and delivery of 10,500 English and 2,000 French copies each of the four newsletters. Included in the work is the planning of contents and stories, researching and drafting stories and articles, editing the English copy, supervising the layout design, graphic design, illustration, and production of the text; as well as execution of graphic design, illustration and layout to produce camera-ready copies.

ASSISTANCE—FARM CREDIT CORPORATION

Question No. 2,623—**Mr. Flis:**

1. By province, what is the number of farmers who applied to the Farm Credit Corporation for assistance and what number (a) received (b) did not receive assistance?

2. For what reasons was the assistance refused?

Hon. E. F. Whelan (Minister of Agriculture): Farm Credit Corporation advises: 1.

Province	Requests for loan	(a) Received loan	Process of being reviewed	Voluntarily decided not to proceed	(b) Declined by FCC
B.C.	319	75	23	104	117
Alta.	1441	376	157	233	675
Sask.	2398	718	415	428	837
Man.	821	253	115	103	350
Ont.	2240	458	429	379	974
Que.	1319	302	254	302	461
Alt.	235	105	24	17	89

2. Principal occupation would not be farming after loan, does not qualify for phase-in loan; purpose for which loan funds were requested does not fall within FCC lending policy; loan request refused as applicant already had a viable unit or had sufficient resources to obtain financing elsewhere.

ACCIDENT IN CÔTE STE. CATHERINE LOCK

Question No. 2,627—**Mr. Benjamin:**

1. Did the Department of Transport or the St. Lawrence Seaway Authority investigate or prepare a report on the accident in the Côte Ste. Catherine lock at 1700, November 28, 1980 involving the *Ungava Transport* and the *Canari* and, if so, what were the findings of the investigation or report?

2. Were there any damages and was any liability assessed?

3. Did the department or the authority bill the owner or operator of either vessel and, if so, for what amount and what was the name of the owner or operator?

4. To the knowledge of the government, what is the safety record of Halco and the record of its involvement in marine incidents and accidents?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The Coast Guard and the St. Lawrence Seaway Authority investigated this casualty, which occurred at 16:54 November 29 (not 28 as noted in the question), 1980. The findings of the inquiry were that the casualty was caused by an incorrect engine movement, to which the ship's staff was not alerted, due to a malfunction in the alarm equipment. The *Ungava Transport* could not be held by the mooring wires and continued ahead, being stopped when the bow struck the lock breast wall. The yacht *Canari* ahead of the tanker in the lock, was struck in the stern and then was swept aside in the forward movement.

2. The stem of the *Ungava Transport* at the 12′ draught mark was punched in for some two feet and the vessel holed. The yacht suffered considerable hull damage. The authority sent a formal notice to Halco, Incorporated, owners of the *Ungava Transport*, holding them responsible for the damages sustained by the authority, as well as the expenses incurred in helping the owner of the *Canari*. Neither the Coast Guard nor the Seaway authority assess liability between vessels in such cases, this being the function of the courts or insurance adjusters. Settlement is still in the course of negotiation between Halco and the owner of the yacht, Mr. John P. Harney of Picton, Ontario.

3. The Authority will invoice Halco, Incorporated, an amount of approximately $14,000.

All Casualties Involving Hall Corporation Shipping Ltd. (Halco) Vessels Reported to Transport Canada since 1975 (inclusive)

	Fire	Collision & Contact	Groundings	Strikings	Other	Casualty Total	Number Deaths	Number Injuries
Tankers	1	3	4	2	3	13	0	0
Cargo	2	4	14	5	4	29	7	4
Total	3	7	18	7	7	42	7	4

The seven deaths were all involved in the *Cartiercliffe Hall* fire which was the subject of a public inquiry.

Many of the reported casualities are of a minor nature.

Only the more serious injuries are normally reported.

INSURANCE ON BANK ACCOUNTS

Question No. 2,628—**Mr. Cossitt:**

1. Is the present limit of insurance provided by the government on bank accounts and term deposits with bank and trust companies now limited to $20,000?

2. Is the government aware that the amount of the limit of this insurance in the United States is now $100,000?

3. Will the government, in view of inflation and the consequent erosion of the value of the dollar, give immediate consideration to increasing such insurance coverage in Canada to the same amount as in the United States?

Hon. Pierre Bussières (Minister of State (Finance)): In so far as the Minister of Finance is concerned, I have been advised by the Canada Deposit Insurance Corporation as follows: 1. Yes.

2. Yes.

3. The government is giving attention to the possibility of amendments to the CDIC Act and its policy will be announced in due course.

PRIVATE RAILWAY CARS

Question No. 2,631—**Mr. Cossitt:**

1. What is a complete list and a description of all private railway cars in the custody or under the direction of the Department of Transport for use by cabinet ministers or other persons?

2. What is a list, by categories of persons, of those entitled to use the cars?

3. On what date did the Department of Transport acquire the cars and, in each case, on what date was the car manufactured?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. There are presently two units of private railway cars under the custody of the Department of Transport and are described as follows:

cars Nos. 1 and 2, a government-owned two-car unit primarily for the use of the Royal family and Governor General but also available for other authorized users with the Governor General's agreement.

car No. 5, a single car unit with facilities to accommodate up to seven persons.

2. Authorized users of the private railway cars are the Governor General, the Prime Minister, cabinet ministers, and commissioners of the Canadian Transport Commission.

3. Railway cars Nos. 1 and 2 were manufactured in 1966 for acquisition by the Department of Transport in the same year. Railway car No. 5 was manufactured in 1929 and was assigned to the Department of Transport in 1967.

PRIVATE RAILWAY CAR

Question No. 2,632—**Mr. Cossitt:**

1. Was railway car number 53 returned to the Canadian National Railways in Montreal from Ottawa on May 21, 1981, by direction of the Minister of Transport?

2. Was this car used on many occasions by various cabinet ministers in the past?

3. For what reason was the railway car returned to the CNR?

4. Did the Department of Transport decide that it no longer wanted custody and, if so (a) for what reason (b) was the decision in any way due to the asking of questions involving the use of the railway car by cabinet ministers and was it considered to be embarrassing by the government?

5. Will the car be replaced and, if so, by what?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. This car was used on several occasions by various cabinet ministers in the past.

3. Surplus to anticipated future requirements.

4. (*a*) See answer to part 3.

(*b*) No.

5. No.

SALE OF CONDOMINIUM UNITS

Question No. 2,634—**Mr. Blenkarn:**

1. Did the Canada Mortgage and Housing Corporation sell 577 condominium units at an average price of $20,500 on November 10, 1980, in buildings bearing municipal addresses 7170 Darcel Avenue, 7230 Darcel Avenue and 7280 Darcel Avenue, Mississauga, Ontario?

2. (*a*) Was the sale made to 1641-9459 Quebec Incorporated (*b*) was there a loss by the corporation or by the mortgage insurance fund from the sale and, if so, in what amount?

3. What is all the information with respect to public tenders concerning the offering of the buildings to the public?

4. Did the same company purchase, on the open market, condominium units in the same building for between $44,000 and $47,000?

5. What are the names of the principals behind the company that purchased the units?

6. Was an effort made to turn over the units at the exceptionally low prices offered to the Ontario Housing Corporation or to make the units available for public housing?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: 1. CMHC sold 572 units in a project consisting of 602 units located at 7170, 7230 and 7280 Darcel Avenue, Mississauga. The project is now known as River Royal 1, 2 and 3. The basic selling price was $20,500 per unit, however, the agreement for sale provides for certain ongoing sales considerations, obligations and restrictions:

(*a*) The purchaser must refund to CMHC the cost of renovating those units used for rental purposes, up to $2,000 per unit. This cost is over and above the $20,500 per unit and applies to all units leased by CMHC between the signing of the offer and the closing of the transaction.

(*b*) The purchaser has agreed not to resell units for condominium ownership for a period of five years, without prior agreement from CMHC with respect to conditions and price.

(*c*) The purchaser has agreed to pay CMHC 30 per cent of the difference between the approved resale price of each condominium unit and the $20,500 purchase price.

2. (*a*) The units were sold to three separate companies as follows:

	Name of Purchaser
7170 Darcel Avenue	1641-9459 Que. Inc.
7230 Darcel Avenue	1641-9467 Que. Inc.
7280 Darcel Avenue	1641-9475 Que. Inc.

These companies are designated by "Le Groupe Carrefour Limitée", the company that originally submitted the proposal.

(*b*) The estimated loss on final transaction could be approximately $11 million of which $5.1 million comprises interest, legal and foreclosure costs incurred in the claim settlement process. The remainder of the loss is attributable to conversion from condominium use to rental.

3. Multiple unit projects are offered for sale to the private sector through the request for proposals (REP) technique rather than by public tender. CMHC advertises that it is placing a number of units on the market. Proposals are invited from proponents with demonstrated financial and management capability and satisfactory credit standings.

4. The purchasers of the Darcel buildings bought 15 condominium units in the same project from in situ home owners as a condition of sale imposed by CMHC. The prices paid for these units reflect the investment of the unit owners rather than the current market value.

5. The names of the principals in the three companies who purchased the project are:

(*a*) Aménagements Les Boisés St-Jérôme Inc. (represented by Gilles Leroux)

(*b*) 100597 Canado Inc. (represented by P. Thompson, Jr., Maurice Mayer and James Lawdon)

(*c*) Birer Realty Inc. (represented by Herman Bistricer)

(*d*) Mike Carbuz

(*e*) 107088 Investments Ltd. (subsidiary of 3 Way Development Corporation and represented by Henri Cynamon)

6. No. While CMHC encourages the sale of suitable market projects to private or public non-profit and co-operative organizations, it is seldom that large projects such as this one can be transferred to the social housing sector.

OFFICIAL LANGUAGES AT AIRPORTS

Question No. 2,636—**Mr. Herbert:**

Does the Department of Transport monitor the provision of services in both official languages at airports that are not administered by the Department and, if so, in what manner?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Canadian air transportation administration's official languages program was developed and implemented at airports owned and operated by Transport Canada. Accordingly the department monitors the provision of services in both official languages at only these airports. The department does not monitor the provision of these services at airports not administered by it.

BILINGUAL AIR TRAFFIC CONTROLLERS

Question No. 2,637—**Mr. Herbert:**

1. What number of air traffic controllers at the Sherbrooke airport are bilingual?

2. Is full bilingual service to be provided at the airport and, if so, by what year is it expected all air traffic controllers will be able to operate in both official languages?

3. Is the airport administered by the Department of Transport and, if not, who is responsible for the staffing of air traffic controller positions?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Since air traffic control service is not provided at the airport there are no air traffic controllers stationed at Sherbrooke.

2. There are no immediate plans to construct a control tower or provide air traffic control service at the Sherbrooke airport. However, essential flight services are available at Sherbrooke from a Transport Canada flight service station staffed by fully bilingual flight service specialists.

Order Paper Questions

3. Sherbrooke airport is owned by Transport Canada and operated by the municipality of Sherbrooke. Staffing of the flight service station is the responsibility of Transport Canada.

Question No. 2,638—**Mr. Herbert:**

1. What number of air traffic controllers at the Ottawa airport are bilingual?

2. Is full bilingual service to be provided at the airport and, if so, by what year is it expected all air traffic controllers will be able to operate in both official languages?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. There are five bilingual air traffic controllers at the Ottawa airport.

2. Transport Canada has no immediate plans to provide bilingual air traffic control service at the Ottawa airport.

POLISH APPLICATIONS MADE THROUGH VIENNA

Question No. 2,660—**Mr. Flis:**

1. How many individuals from Poland made application through the Vienna post of the Department of Employment and Immigration since the strike situation arose in Poland?

2. How many of the applications were independent and how many were made under the self-exiled designate class?

3. Was there a significant increase in the number of applications since the uprising in Poland?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. In the 10-month period of August 1, 1980, to May 31, 1981, 590 persons listing Poland as their country of last permanent residence made application in Vienna to come to Canada.

2. Seven of these applications were for the independent class and 583 were for the self-exiled persons designated class.

3. Yes. In the 10-month period before August 1, 1980, there were a total of 244 applications made in Vienna.

TESTIMONY OF MR. LIDINSKY—CAST SHIPPING GROUP

Question No. 2,667—**Mr. Crosby:**

1. To the knowledge of the government, did a Mr. Richard Lidinsky give testimony before the merchant marine subcommittee of the United States House of Representatives about a "James Bond-type" company and is the company known as Canadian Air-Sea Transport North America Ltd?

2. Is Canadian Air-Sea Transport North America Ltd. the company in which the Canadian National Railways invested more than $50 million and, if not, is it related to the Cast shipping group?

3. Did the Cast shipping group cause container and other marine traffic to be diverted from United States ports to Canadian ports and, if so, to which ports and did the diversion result in the loss of 5,000 jobs in the United States ports, as alleged by Mr. Lidinsky?

4. Did the Canadian ambassador to the United States or any Canadian officer send a diplomatic note to a representative of the government of the United States respecting proposed legislation to regulate maritime trade between Canada and the United States?

5. Did the Cast shipping group sign a 15-year "sweetheart lease" in respect of facilities in the port of Montreal, as alleged by Mr. Lidinsky?

6. Are any cabinet ministers involved in the Cast shipping group, as mentioned by Mr. Lidinsky, and, if so, what are their names?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by Transport Canada, the Department of External Affairs and the Privy Council Office as follows:

1. Yes, it has been reported that he did refer to Cast as a "James Bond-type" company, however, that statement was not part of the written submission of Mr. Lidinsky. It was also reported that other witnesses made favourable comments about Cast.

No, the company is not known as Canadian Air-Sea Transport North America Ltd. but its correct name is Cast North America Limited.

2. The Canadian National Railways has invested more than $50 million into the parent companies of the Cast shipping group.

3. Cast is one of the companies that carries containers of United States origin or destination between North America and Europe. To the knowledge of the government there is no evidence to support such a statement that the Cast shipping group is the cause of cargo diversion through Canadian ports. In 1980, 101,481 containers of Canadian origin or destination moved through United States ports and 106,857 containers of United States origin or destination moved through Canadian ports. The government has no evidence to support the allegation by Mr. Lidinsky that 5,000 jobs were lost in the United States as a result of these container movements. The ports in which this loss was alleged to occur were not specified by Mr. Lidinsky's written submission.

4. While the Canadian government recently sent a diplomatic note to the U.S. department of state on proposed legislation being considered by the U.S. Congress, the legislation did not concern the regulation of maritime trade between Canada and the United States but the extraterritorial extension of the authority of the U.S. federal maritime commission to regulate shipping between Canada and third countries if United States origin or destination cargoes were carried. The Canadian government opposed this legislation both because of its extraterritorial dimension and because of its inconsistency with established principles and practices of maritime trade.

5. Mr. Lidinsky's allegation that the Cast shipping group signed a 15-year "sweetheart lease" for use of facilities in the port of Montreal is false.

The Cast group has signed with the National Harbours Board a lease for a 15-year period commencing January 1, 1980, for use of the port of Montreal facilities. This agreement is considered to be one of the most stringent and lucrative ones signed in favour of the port of Montreal facilities.

6. The conflict of interest guidelines for ministers of the Crown tabled in the House on May 1, 1980 require that cabinet ministers with holdings in business ventures divest themselves of such interests either through selling or by placing them in a blind trust.

Cabinet ministers have no known financial involvement in the Cast shipping group.

ARTICLE ON MINISTER OF JUSTICE

Question No. 2,668—**Mr. McKinnon:**

1. Does the Department of National Defence or any other department or agency subsidize the magazine "The Canadian Military Journal"?

2. Was Department of National Defence and Department of Veterans Affairs advertising carried by the magazine and, if so, what amount was spent (a) in 1979 (b) in 1980 (c) as of July 1, 1981?

3. (a) Was a 12-page fulsome article on the Minister of Justice carried by the magazine in the winter 1981 issue and, if so, was it paid for by the Liberal Party (b) were 8 photographs of the minister included in the article and were they provided by a department and, if so, which department?

4. What is the circulation of the magazine?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice, National Defence and Veterans Affairs as follows:

1. No.

2. Yes

National Defence	Veterans Affairs
(a) $2,200	(a) Nil
(b) $2,800	(b) Nil
(c) $1,650	(c) $1,300

3. (a) (i) An article on the Minister of Justice did appear in the winter 1981 issue of "The Canadian Military Journal".

(ii) This matter does not fall within the administrative responsibility of the Government of Canada.

(b) At the request of the Canadian Military Journal, the Minister of Justice supplied photographs from his personal dossiers.

4. See Part 3(a)(ii) above.

CANADIAN AIR TRANSPORTATION ADMINISTRATION BOOKLET

Question No. 2,693—**Mr. Jelinek:**

1. How many copies of the booklet "The Canadian Air Transportation Administration" were printed and which company was awarded the printing contract?

2. Was the contract awarded through public tender and, if not, in what manner?

3. What was the total (a) cost of publication (b) circulation?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. 258,525 copies; Baslaw, McCarney & Mann Ltd., Ottawa, Ontario.

2. Yes.

3. (*a*) $65,029 (incl. $6,750 federal sales tax).

(*b*) An initial distribution was included in the above contract price; subsequently, approximately another $1,200 was spent on distribution.

CPP—LOANS TO PROVINCES

Question No. 2,694—**Mr. Riis:**

1. Do the provinces have to pay back the money loaned to them from the Canada Pension Plan fund?

2. Since the inception of the Canada Pension Plan, what was the total amount of collected funds received from pension contributions?

3. What amount of the contributions was paid out in benefits?

4. In 1980, what was the administrative cost for the Canada Pension Plan?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance and National Health and Welfare as follows:

1. Yes, the provinces do have to repay funds borrowed from the Canada Pension Plan. Sections 112 and 113 of the Canada Pension Plan provide that excess moneys in the plan may be invested in provincial securities, securities of provincial Crown agencies and securities of the Government of Canada having a term to maturity of 20 years, or such lesser term as is fixed by the Minister of Finance. By the terms and conditions of the securities there is a contractual obligation in which the provincial borrower "promises to pay to the Minister of Finance and the Receiver General for Canada to the credit of the Canada Pension Plan Investment Fund" . . . the principal sum that was borrowed. Interest is payable semi-annually.

2. The total amount of contributions collected under the Canada Pension Plan as of March 31, 1981 was $19,759.7 million.

3. Since the inception of the Canada Pension Plan, $8,637,406,000 have been paid out in benefits. The following is a breakdown of the benefit payments by fiscal year.

	('000)
1966-1967	50.8
1967-1968	1,268.5
1968-1969	15,567.0
1969-1970	47,346.4
1970-1971	89,235.8
1971-1972	144,379.2
1972-1973	206,275.3
1973-1974	278,157.3
1974-1975	398,965.6
1975-1976	587,833.7
1976-1977	833,251.2
1977-1978	1,059,068.3
1978-1979	1,328,410.2
1979-1980	1,635,072.4
1980-1981	2,012,524.3

4. The administrative cost of the Canada Pension Plan during the fiscal year 1980-81 was $66,732,910. This amount includes the costs incurred by the departments and agencies involved in the administration of the Canada Pension Plan (Department of Health and Welfare, Department of National Revenue, Department of Insurance, Department of Supply and Services, Canada Employment and Immigration Commission, Public Works).

Order Paper Questions

AERONAUTICS ACT TASK FORCE

Question No. 2,709—**Mr. Forrestall:**

1. Is there an Aeronautics Act task force and, if so (a) on what date, under what authority and for what period of time was it established (*b*) what are its terms of reference?

2. Since its inception, who has been employed on the task force and what are their (*a*) qualifications (b) terms and conditions of employment?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The Aeronautics Act task force was created in the early summer of 1978 by the Canadian air transportation administration and announced by the then minister of transport, the Hon. Otto Lang, on July 26, 1978. The task force is mandated to review and make recommendations on amendments to the Aeronautics Act and the subordinate legislation made pursuant thereto as well as the applicable enforcement procedures. It was anticipated that the project would be completed within approximately two years. As a result of the complexity of the subject matter, delays occasioned by the Dubin inquiry and operational requirements, it is now expected that the task force will complete its work in the fall of 1981.

2. A variety of persons have been employed on the task force, both from within government and from the private sector. Some have been lawyers, in most cases with aeronautical background, but most have been technical specialists. Task force members have been recruited from outside the public service by contract or by term appointments, or by secondment from other organizations within the public service.

CENTRALIZING OF DATA BANKS

Question No. 2,717—**Mr. Beatty:**

Is the government considering plans that would in any way centralize data banks now under the control of more than one department or agency and, if so, what are they?

Hon. Donald J. Johnston (President of the Treasury Board): No.

NATIONAL DEBT FOR 1981

Question No. 2,727—**Mr. Beatty:**

What is the national debt for 1981 and what will be the total amount paid in 1981 for carrying charges on the national debt?

Hon. Pierre Bussières (Minister of State (Finance)): The gross public debt of the federal government at the end of the fiscal year 1981-82 is estimated at $133,680 million. The total amount estimated in the budget for carrying charges on the national debt in 1981-82 is $12,350 million. In a speech to the Vancouver Board of Trade delivered on July 6, 1981, the minister indicated that public debt charges would be some $1½ billion higher than estimated in the budget.

AIRPORT WEAPONS DETECTION EQUIPMENT

Question No. 2,729—**Mr. Beatty:**

1. For each year since weapons detection equipment was installed, by airport, how many persons were (*a*) refused permission to board aircraft (*b*) forced to surrender concealed weapons before boarding?

2. In how many instances were charges laid against individuals carrying concealed weapons and, in each case (*a*) what was the charge (*b*) was a conviction ultimately registered?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The list below contains the information reported to Transport Canada by the major Canadian air carriers and the RCMP. For the years 1972 to 1975, see reply to question No. 3861, Thirtieth Parliament, first session, answered February 19, 1976. It should be noted that the criteria for statistical collection relating to airport security and weapons detection equipment was changed in 1976. This would account for the higher figures for years 1974 and 1975 in respect of question 1(b). Air carriers no longer tabulate and report on all the potentially dangerous type articles and offensive weapons removed from passengers for safe keeping during the flight. Emphasis is now placed on the detection of real firearms and explosive devices during pre-board screening.

1. (*a*)

Year	Airport	Number
1976	Montreal (Dorval)	1
1977	Edmonton Municipal	1
1978	Wabush	1
1979	Edmonton Municipal	2
	Whitehorse	1
	Timmins	1
	Calgary	1
	Fort McMurray	1
1980	Montreal (Dorval)	2
	Saint John	1
1981	Montreal (Dorval)	2
		14

(*b*) Statistics as to the number of persons forced to surrender concealed weapons before boarding have not been maintained by the air carriers. The number of weapons detected during pre-board screening are reported as follows:

Airport	1976	1977	1978	1979	1980	1981
Dorval	8	1	2	0	4	1
Mirabel	3	1	0	0	1	0
Toronto	3	0	2	0	0	0
Winnipeg	1	1	0	0	0	0
Vancouver	18	8	0	7	18	3
Ottawa	0	0	0	6	0	0
Halifax	1	0	1	0	0	0
Edmonton	0	0	2	0	0	0
Calgary	0	0	2	7	0	0
Gander	0	0	0	0	0	0
St. John's	4	0	0	0	0	0
Moncton	0	0	2	0	0	0
Quebec	0	0	0	0	0	0
London	0	0	0	0	0	0
Windsor	7	0	0	1	1	0
Regina	0	1	1	2	6	0
Saskatoon	0	1	0	0	0	0

Airport	1976	1977	1978	1979	1980	1981
Victoria	0	0	4	0	0	0
Saint John	0	0	4	0	0	0
Sydney	1	0	0	0	0	0
Penticton	1	0	0	0	0	0
Wabush	0	0	1	0	0	0
	47	13	21	23	30	4

2. Four

(*a*) 1 charge, section 91(1)(*b*) Criminal Code.

2 charges, section 87(*a*) Criminal Code.

1 charge, section 76(3) Criminal Code.

(*b*) One, section 87(*a*) Criminal Code.

CANADA-CUBA AGREEMENT

Question No. 2,738—**Mr. Cossitt:**

1. Was there a recent financial settlement between the Canadian and Cuban governments for moneys owing to Canadians by the government of Cuba and, if so (*a*) what was it, in terms of cents against dollars (*b*) what is the total amount that will be received?

2. What are the names and job designations of all persons acting on behalf of Canada, directly or indirectly, who negotiated the settlement?

3. (*a*) At any time did the Prime Minister or anyone representing him, directly or indirectly, have anything to do with the settlement and, if so, what were the dates and details (*b*) did the Prime Minister discuss the matter with Premier Fidel Castro?

4. For what reason was a larger settlement not insisted upon, in view of Canada's continuing to trade with Cuba and diplomatically recognizing Cuba when many countries in North and South America do not?

5. Was it government policy to make a low settlement and was it in any way occasioned by the Prime Minister's visit to Cuba a few years ago and by his statement "Viva Fidel Castro"?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes.

(a) This is impossible to determine until after the Foreign Claims Commission has reported to ministers on the eligibility and quantum of individual claims.

(b) $850,000.

2. The agreement was negotiated by officials of the Department of External Affairs and the Department of Finance, acting under the instructions of and reporting to the Secretary of State for External Affairs and the Minister of Finance.

3 (a) No.

(b) No.

4. The settlement is expected to provide reasonable compensation to eligible Canadian claimants.

5. Government policy in repect of the settlement was in no way occasioned by the visit of the Prime Minister to Cuba.

Order Paper Questions

SOLAR HEAT—BROCKVILLE FEDERAL BUILDING

Question No. 2,754—**Mr. Cossitt:**

1. Was solar heat installed in the Brockville federal building in the constituency of Leeds-Grenville and, if so (a) what are all the details (b) who made the decision and on what date (c) what was the total cost?

2. Were tenders called for the installations and, if so (a) what were the names of the bidders and the amount of the bid in each case (b) were the tenders invited or publicly advertised (c) were any firms contacted privately and, if so, which firms?

3. (a) Was the purpose of the installations to heat the building (b) is the government aware that the heating panels specified are estimated to be capable of providing only enough heat to heat a hot water tank for washroom purposes and, if so, for what reason are they being used?

4. Are such installations planned for the future and, if so (a) what are all the details (b) who made the decision and on what date (c) what is the total estimated cost (d) will public tenders be called?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. No.

2. N/A.

3. N/A.

4. A packaged solar domestic hot water heater is planned for the Brockville federal building in the constituency of Leeds-Grenville.

(a) Over 5,000 systems are planned for future installations over the next four years in every region of Canada for 14 federal government departments and 15 Crown corporations as part of the purchase and use of solar heating (PUSH) program.

(b) This program is designed to foster the development of an indigenous regional Canadian solar industry and was announced by the Minister of Energy, Mines and Resources in July, 1978.

(c) Total cost of the program will be $125 million over five years.

(d) Public tenders will be called.

PAMPHLET—"AN INVITATION"

Question No. 2,791—**Mr. Cossitt:**

1. Did Parks Canada publish a pamphlet in both official languages under the authority of the Minister of the Environment entitled "An Invitation", on the subject of the St. Lawrence Islands National Park?

2. Were 12 pictures used as illustrations in the pamphlet and were ten of the pictures included either under French-language headings or in the middle of French-language promotion material and, if so, for what reason was there not an equal number under English-language headings or promotion material?

3. What were the names and job designations of all persons responsible for drawing up the pamphlet, including those who wrote the pamphlet and those who decided where to place the photographs?

4. How many copies of the pamphlet were printed and (*a*) who printed them (*b*) what was the total cost?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. Yes, a pamphlet entitled "An Invitation" was published for St. Lawrence Islands National Park. The publication has a limited life-span designed solely for the 1981 summer park interpretive program.

2. Seven photographs appear on the schedule of events section of the pamphlet. The section is bilingual and the photographs are not related to any particular language designation. To accommodate the placement of the front cover little panels, space was not available to include any of the photographs which were to appear in the English section. Therefore, a decision was made to include the panels on the English side and place the photographs on the French side of the pamphlet.

3. Dave Warner, acting superintendent, St. Lawrence Islands National Park, Don Ross, park naturalist, St. Lawrence Islands National Park and Mary-Jane Lamb, interpretative/media specialist, St. Lawrence Islands National Park

4. 20,000.

(*a*) Hesson and White Printers Ltd., Kingston, Ontario.

(*b*) $3,264.55.

COST OF INQUIRIES

Question No. 2,796—**Mr. Mazankowski:**

To date, what was the total cost of the (*a*) Report of the Mississauga Railway Accident Inquiry (*b*) Commission of Inquiry into Bilingual Air Traffic Services in Quebec?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

(*a*) $1,126,468.

(*b*) $2,364,613.

COMMISSIONER OF OFFICIAL LANGUAGES

Question No. 2,871—**Mr. Clarke:**

With reference to the professional and special services recorded by the Privy Council Office for the Commissioner of Official Languages at page 32.26, volume II of the 1979-80 public accounts of Canada, with particular reference to hospitality services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts of a value more than $2,000, to whom was it paid (c) are guidelines used to determine when the commissioner will pay for hospitality and, if so, what are they (d) of the $7,845 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) members of provincial parliaments, legislative assemblies and the national assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant-Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council):

The Commissioner of Official Languages reports directly to Parliament and not through a minister. Questions can be made directly to him.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 1,196, 2,006, 2,138, 2,318 and 2,495 could be made orders for returns, these returns would be tabled immediately.

[*Text*]

ADMIRAL ROBERT FALLS

Question No. 1,196—**Mr. Cossitt:**

In the past two years up to the date the answer to this question is prepared, how many trips did Admiral Robert Falls make to and from Canada to other places, particularly Europe and, in each case, what (a) was the means and class of transportation (b) was the destination (c) were the dates (d) was the purpose (e) was the cost to the taxpayer (f) were the names and job designations of all those accompanying him and attached in any way to Armed Forces staff rendering services of any kind whatsoever to him?

Return tabled.

IMPACT ON PETRO-CANADA OF NEP

Question No. 2,006—**Mr. Wilson:**

What is the expected impact on Petro-Canada of the National Energy Program for the fiscal years 1978 and 1979 using actual figures, and for the years 1980 to 1984 using estimated figures, before NEP on company forecasts as prepared in using tax assumptions in place prior to the October 28, 1980 announcement of the NEP, and stating such assumptions, and after NEP on company forecasts, revised to reflect the impact of the NEP using the following standards of measurement (a) cash flow from operations (defined to mean the gross proceeds from the sale of all hydrocarbon substances including royalty income therefrom; less all Crown, freehold or other royalties, operating costs, administrative expenses, interest expense and income or other taxes currently payable; and making no deduction for depletion, depreciation or amortization or deferred taxes) (i) conventional areas before and after NEP (ii) Canada lands before and after NEP (b) capital spending on oil and gas exploration and development in Canada (i) conventional areas before and after NEP (ii) Canada lands before and after NEP (c) source and application of funds before and after NEP?

Return tabled.

NUMBER OF FIRES ON NCC PROPERTY

Question No. 2,138—**Mr. Lawrence:**

1. How many fires have occurred on National Capital Commission properties within the city of Ottawa in each of the past 15 years and, in each case, what was the (a) total dollar value of the resulting damage (b) assessed total value of the property?

2. Does the NCC carry fire insurance on its properties?

Return tabled.

INTERNATIONAL YEAR OF THE DISABLED

Question No. 2,318—**Mr. Elzinga:**

1. To date, which projects were approved for funding by the Canadian Organizing Committee for the International Year of the Disabled?

2. For each group receiving funds, what was the name, address and amount granted?

Return tabled.

PLEASURE CRAFT

Question No. 2,495—**Mr. Greenaway:**

1. In each year 1978 to date, how many pleasure boats of (a) power (b) sail (c) other types were imported and, in each case (i) from which country (ii) what was the length of the craft (iii) what was the province of destination?

2. (a) For the same period, how many boat building manufacturers of (i) power (ii) sail (iii) other craft were registered in each province (b) how many of the companies exported (i) power (ii) sail (iii) other craft and to which countries were they exported?

3. For the same period, how many (a) power (b) sail (c) other boats were sold in (i) Canada (ii) British Columbia?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 2,584?

[*Text*]

Question No. 2,584—**Mr. Cullen:**

Was Canadian citizenship awarded to any persons under subsection 5(4) of the Citizenship Act and, if so, what number were (a) "in order to alleviate cases of special and unusual hardship" (b) "to reward services of an exceptional value to Canada"?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Secretary of State): In reply to Question No. 2584, I should like to say that since the current Citizenship Act came into effect on February 15, 1977, 47 persons have been granted Canadian citizenship under Section 5(4), to wit: (a) "to alleviate cases of special and unusual hardship", 46; (b) "to reward services of an exceptional value to Canada", 1.

[*English*]

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

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

Some hon. Members: Agreed.

Mr. Cossitt: Madam Speaker, in rising to make a brief point of order, may I preface it by congratulating the hon. member for Don Valley East on being appointed the latest "Dr. No". I hope that he will not suffer the fate of his predecessor who is now sitting across the way in outer Siberia.

In any event, I should like to ask the parliamentary secretary something which I have raised for five and a half years. I felt that perhaps it was inappropriate to raise the matter on the first day—but, on the other hand, when it has been five and a half years perhaps it is appropriate—as to why question No. 30 has not been answered. As his predecessors will tell him, I have raised this question and each time I received the

answer that it will be answered soon. It is now about five and a half years, give or take a day or two, which seems to me to be a long time. I have simply asked for the members of the Canadian Transport Commission who have passes on Air Canada, their wives who have passes on Air Canada, and certain other interrelated questions. It is very simple, but in five and a half years the government has not been able to tell us.

Therefore, I think I should give the parliamentary secretary notice that if he cannot tell me today—and I know it is premature, since I believe he was appointed about fifteen minutes ago, to expect that he would be good enough to be quite that fast—I intend to raise this matter as often as the Chair will permit me to do so in order that it will not take perhaps ten and a half years.

Mr. Smith: Madam Speaker, I take note of this suggestion. I should point out, if the question has been on the Order Paper for five and a half years, that the party to which the hon. member belongs could have answered it when it was in government.

* * *

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Wednesday, July 15, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 3 (Mr. McGrath).

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise reluctantly today because I feel that it would be much more appropriate for the House to be considering both of the motions under Standing Order 26 since they are of far greater importance to the country at this time than Bill C-48.

We debated Bill C-48 for three days prior to the recess in July. We have been considering proposed legislation of this sort for approximately eleven years. The Minister of Energy,

Mines and Resources (Mr. Lalonde) said during his short remarks on this piece of legislation that he was very sorry that legislation had not been in place for that period of time prior to this. We have been waiting for governments, of which he has been a member, to bring in that legislation for eleven years.

We could easily put this off for another few days to listen to the comments of hon. members on the very serious problems affecting the country in the areas of interest rates, high unemployment and transportation policy, as the hon. member for Vegreville (Mr. Mazankowski) proposed. But having said that, we must continue with the consideration of Bill C-48.

Before I continue, I should like to say on behalf of hon members on this side of the House who sat on the Standing Committee on National Resources and Public Works that we recognize the very strong contributions made by the witnesses on Bill C-48 during the early part of this year. On behalf of my party I should like to thank the officials from the Department of Energy, Mines and Resources, the representatives from the industry, native peoples and governments of the north, fisheries representatives, people interested in the environment, as well as government officials who came all the way from Norway, for their very strong contributions in developing an understanding of what is a very complex bill. I am only sorry that the government has not seen fit to listen to their representations. Many of their very worth-while suggestions and proposals have not found their way into the amendments before us.

● (1600)

If you recall, Mr. Speaker, this bill was rushed in on very short notice just before the summer recess. That was contrary to the understanding that I had with the Minister of Energy, Mines and Resources. As a result, some very important amendments were missed. I want to say at this point that I hope the government and the New Democratic Party will allow these amendments to be introduced following discussions with my colleague, the hon. member for Calgary Centre (Mr. Andre), who will be responsible for this bill and who will be negotiating with his colleagues.

This bill is one of a series of pieces of legislation which arise out of the energy program which was first announced last October. It displays ineptness and a lack of understanding of an energy policy on the part of this government.

Since the summer adjournment, two energy agreements have been concluded, one with the province of Alberta and one with the province of British Columbia. The government is very proud of these agreements and has been quick to congratulate itself from one end of the country to the other. But these agreements have just resulted in a larger revenue grab than ever by two levels of government, and a tax increase which over the next five years, including the energy agreement and the energy program, will result in over $50 billion falling due to the federal government.

Consumers who trusted the government in the 1980 election, who accepted what the government said when it was in opposition—to vote Liberal to keep energy prices down—have now been hammered further by energy price increases that were inconceivable when they cast their ballots in February, 1980. On top of the record inflation we have today, the record interest rates and unemployment of 8.2 per cent, these new energy prices will have a greater impact than if they had been introduced in the early part of last year. The government's flip-flop, its lack of negotiation last year and these Liberal failures, take a tremendous human toll when added to high interest rates and high unemployment.

The problem has not been solved yet, Mr. Speaker. Drill rigs are still leaving the country. There is still a job loss in the energy services organizations in Alberta and the major energy projects at Cold Lake and Alsands are still on hold.

All this makes it more important than ever that we ensure that Bill C-48 is good legislation. The government has seriously damaged the development in provincial lands so we must do everything we possibly can to ensure there is orderly and progressive development of the Canada lands. We must not add another failure to the government's long list of failures in its first 18 months of office.

Let me review the Conservative Party's position on motion No. 3 which is now before us, Mr. Speaker. This is essentially a jurisdictional issue. We feel that rather than grab the jurisdiction of the various parts set out in Bill C-48 unilaterally, it is essential that the government negotiate. The government should not grab these lands as the result of the simple, innocuous amendment that is before us in motion No. 3.

The rate of development and the impact of this development on the communities involved is of great importance to people in Canada. We on this side of the House are very concerned that all the people directly affected should have the opportunity to participate in the formulation of policies leading to that development. This is a jurisdictional dispute, Mr. Speaker, a dispute which we feel must not be acted upon in a unilateral way. The Government of Canada must respect the regions and work with them in the development of these lands. That would not be the case as Bill C-48 stands.

The position of the Conservative Party was set out in a letter from the Right Hon. Leader of the Opposition (Mr. Clark) to the Premier of Newfoundland in September, 1979, which stated quite clearly that Newfoundland should own the mineral resources of the continental margin in so far as Canada should own them; that ownership and legislative jurisdiction would be consistent with and subject to the division of legislative competence between the federal government and the provinces; and finally, that the Government of Canada would continue to have legislative jurisdiction in certain areas such as environment, shipping and so on. The position that we have taken, therefore, is to give the coastal provinces the same jurisdictional position on natural resources as is the case with the landlocked provinces of this country.

There is a very good reason for this, Mr. Speaker, and I think it is very clear to anyone who has travelled, particularly to the east coast, to the provinces of Newfoundland and Nova Scotia, as I did in the summer of 1980 with my family. The

island of Newfoundland is mainly rock with the resources in and under the sea. The livelihood of the people is related primarily to the sea, as has been the case for many years. We in this party recognize that and have put our policy position around that recognition.

Throughout this entire debate, Mr. Speaker, I have been struck by the lack of participation on the government side by members from the Atlantic provinces. I have asked myself where the members from Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island have been during this debate. We have not heard from the Minister of National Revenue (Mr. Rompkey). He is listening now and I hope—

Mr. Rompkey: Check *Hansard* for last year.

Mr. Wilson: We did not hear from him on Bill C-48. I hope we will hear from the Minister of National Revenue on this particular amendment regarding jurisdiction as it relates to the province of Newfoundland.

Mr. Rompkey: I am on record publicly and in this House.

Mr. Wilson: Let us hear from the minister in this debate and on this amendment. Where is the Minister of Finance (Mr. MacEachen)? Where is the Secretary of State (Mr. Regan)? Where is the Minister of Fisheries and Oceans (Mr. LeBlanc)? We have not heard from any of them. Who from the provinces is defending the government's position? I think we heard from the hon. member for Burin-St. George's (Mr. Simmons), but I do not see him in the House today. All members would recognize that his contribution to the debate was but a frivolous interlude and nothing more. It was a little bit of humour one evening, which is all we normally get from him. That is all we have had from him in this debate. We need to hear from the heavyweights so I hope the Minister of National Revenue will make a contribution later today.

As a Member of Parliament from Ontario my position is very clear. I am concerned about future supplies for this country. I am concerned that we will be able to settle this jurisdictional dispute so that we can get on with development and reduce the imports that we are so dependent upon now. I also see this as an opportunity for development that will involve the manufacturing industries of Ontario and Quebec to a very great extent.

● (1610)

Ontario and Quebec are very major resource provinces today. They have vast wealth. I am prepared to share this, as I am sure the residents of the Atlantic provinces would wish to share; but we need to get a balanced development of these resources to ensure the development that we need in the future. The potential is great but we must get on with it. I want to see all the Atlantic provinces share in the development of this country, but not through the transfer of payments and equalization. I want to see them share in the development of their resources, the resources of their own economies. The goal is to make them the "have" provinces. The federal government and the rest of Canada will share, in an extensive way, in the development of these resources through the new energy taxes as well as through income taxes. Therefore, let us have less transfer of payments needed to be paid to those provinces by such development.

Another reason for sharing is the very major impact of this development on the local economy and local society. Let me just recount to the House a story which was told to me when I was in Newfoundland. It was about the early part of the seventies, 1972 or 1973. About a dozen businessmen, competitors but all concerned about the development of the oil industry in the province of Newfoundland, got together and asked, "What is likely to happen to our province if this development goes ahead?" They felt that the best thing they could do was to go over to Scotland and Norway to talk to people who had been directly affected by the developments which had taken place over there. They completed a two-week trip, made a report, and sent the report to Ottawa.

The Department of Energy, Mines and Resources, having seen the report, summoned them to Ottawa for some discussion. What they got when they arrived here was a very condescending, patronizing approach by the department. The province of Newfoundland had just hired the first geologist ever to advise the government. The Department of Energy, Mines and Resources berated the representatives of Newfoundland for having hired this geologist. The department said, "You do not need a geologist. You can rely on us, on the Department of Energy, Mines and Resources. We will look after you; leave it to us."

But what happened? This is the key. What happened was that over the next two years of development, the only moneys which came through the local economy of the province of Newfoundland were customs fees—not customs revenues, just fees—to pass goods, duty free, through the port of St. John's and back out to the offshore rigs. No equipment, food, or otherwise, was purchased from the local economy.

That is what has made the people in Newfoundland so upset. It was after watching two years of this and having been told by the Department of Energy, Mines and Resources "We will look after you", that they have taken action and such a strong position in ensuring that the development of their resources will be controlled by themselves and will have the optimum effect on their local economy and their local society.

The impact on their society will be great. Projects of the magnitude of Hibernia will cost about $6 billion to $8 billion. There will be an economic impact as a result of this development, as well as a social impact through urban development, through crime and social problems. We have heard from the hon. member for Athabasca (Mr. Shields) about the problems which have occurred in Fort McMurray as a result of the major developments there. The people of Newfoundland are concerned about these developments and their effects on the local economy and local society. They are also concerned that local individuals are trained to participate in local industry. Finally, they are concerned about the impact on the environment. That is why it is very important that the jurisdictional

issue here be very carefully studied and handled by the government.

My colleague, the hon. member for Annapolis Valley-Hants (Mr. Nowlan), has discussed at some length the jurisdictional issue as it relates to the province of Nova Scotia. The premier of the province, Mr. Buchanan, has sent a letter to the Prime Minister (Mr. Trudeau) indicating the long history of jurisdiction by the province of Nova Scotia over Sable Island. If hon. members recall, it was the inclusion of Sable Island which gave rise to the initial debate on this particular issue. Bill C-48 is attempting to include Sable Island and to change the jurisdictional boundaries of Nova Scotia in a very provocative manner by slipping in this two-word amendment without having the proper jurisdictional discussions with the province. The province of Nova Scotia is seeking to retain jurisdiction over the land which it has held for 350 years. Regardless of the outcome of the jurisdictional dispute on the offshore, Sable Island is a separate matter, and ownership of that particular property must be established on the same basis as it has been over the past 350 years.

In conclusion, let me say that in this motion we are seeing a difference in the view or concept of Canada as between the governing party, the Liberal Party, and the Progressive Conservative Party. We want to see balanced growth of this country. The government would prefer to see that this growth be centralized and controlled closely from Ottawa. We want to see that the provinces have the freedom to grow and to fulfil their own aspirations, because we see that the growth of one part of the country will be helpful to the whole country. It will be a tragedy if the Liberal Party rejects this philosophy and forces a tightly controlled development of the resources of the provinces, and particularly the Atlantic provinces which have not fared too well in confederation. If the Liberals are not able to come to terms with the development of areas which are distant from Ottawa, such as the Atlantic provinces, or, as is now so evident, the western provinces, it would be a real tragedy for this country.

The reason so many members of our caucus, over 20, have participated in this debate on this one particular motion is that we feel so strongly we should have balanced growth within this country, growth which is within the control of those people who are most affected. The Liberals, I am afraid, are concerned that if one part of the country grows too quickly, it will cause them problems. We see that if growth comes in various parts of the country, all the country will benefit by it. That is why we recognize that there is real strength in freeing those parts of the country, as they have the ability and the means through resource development, to build their own societies. They should have the freedom to grow and the freedom to expand within their own country.

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I, too, rise somewhat reluctantly to address Bill C-48 because it is the second time I do so. I must admit that I find the stalling tactics of the opposition on this very important legislation quite reprehensible.

Perhaps it is now a good time to review Bill C-48, its origins, how it came about, and what has happened to it in the process. The purpose of this bill is to regulate companies exploring and producing oil on the Canada lands; that is, in the northern territories, in the high Arctic and, of course, the offshore. That is agreed.

The inadequacy of the legislation which Bill C-48 will replace was first recognized over ten years ago. After much study and a careful analysis of all aspects of this country's energy industry, the federal government issued a policy statement which contained the essential elements of an energy strategy for Canadians. Bill C-20 was first introduced to incorporate this strategy. Bill C-20 was a predecessor of the present Bill C-48, but it died on the Order Paper.

It was a year ago approximately to the day that the National Energy Program was introduced in Parliament, in October, 1980, and Bill C-48 came into being. At that time the opposition vehemently criticized the government for delaying the implementation of such important and much needed legislation.

• (1620)

I am somewhat amused to hear the comments of the hon. member for Etobicoke Centre (Mr. Wilson). Last December 11 with reference to this bill he said:

> The broad objectives of this legislation are worth while and certainly acceptable. One might go so far as to say that they are motherhood; they are intended to increase production and Canadian ownership, as well as to provide a very stable tax environment. I agree with the minister when he says that it is important to have this legislation. We have been waiting for it for about ten years now.

Yet we hear the same member saying today that he does not think there is any particular rush. He agrees with the minister on the need for legislation, but surely he must agree that if there was need for speed a year ago, there is an even greater need for speed now. The hon. member is pressing us to take action.

What has happened since then? In January, the bill was referred to the House of Commons Standing Committee on National Resources and Public Works. Committee members deliberated for some 135 hours. The hon. member for Etobicoke Centre is quite right when he pays tribute to all of those people who participated right through from January to June of this past year. There were 140 witnesses and related experts who appeared before the committee. Well over 100 amendments from all three parties were considered during these hearings which resulted in 3,200 pages of testimony and, as a result, a number of amendments have taken place.

In July 1981 the committee reported back to this House on the bill. Then, as is their right and as is becoming their practice, the opposition proceeded to reintroduce most of their amendments, amendments which were considered and disposed of in the committee during its previous deliberations. So in July the House once again began debate on Bill C-48, or rather on opposition motions to amend Bill C-48. Already 30 Members of Parliament have spoken on this amendment.

Here we are back in the fray again today, finding that we must once more waste the scarce and valuable time of the House to debate Bill C-48. We have tolerated a deliberate, concerted effort by the opposition parties to obstruct progress on this bill—

Mr. Waddell: That is democracy.

Mrs. Erola: Democracy is appearing before the committee. We have 3,200 pages of testimony to prove that. Hon. members opposite can discuss but they cannot decide. It is obvious to me that members of the opposition are trying to impose the indecision which characterizes their internal party bickering on this House of Commons. It goes on and on and on.

I find this delay quite shocking, Mr. Speaker. It is impossible to expect companies to operate in an environment when they have no idea what the ground rules will be. This delay, going back to 1970, has cost Canada valuable years in reaching oil self-sufficiency. You agree. Therefore, it is important that we get on with the job right now.

The government has been trying to move this legislation forward. How much has Conservative obstruction cost this country in terms of our stated shared goal of reaching energy self-sufficiency? How many Canadian oil and gas companies have been denied an opportunity to participate in promising Canada lands exploration due to this opposition?

Mr. Siddon: There is no money left for home owners.

Mrs. Erola: I think it is now evident that the National Energy Program and the Canadianization policy that is an inherent part of it over the summer has received the support of the provinces of Alberta and British Columbia through the new oil and gas agreements. The hon. member has said that the government is grabbing the lion's share of the revenues.

Mr. Siddon: You are.

Mrs. Erola: Let us have a look at those revenues. Prior to the National Energy Program, the percentage shares were as follows: Canada 11 per cent; Alberta 42 per cent; and industry 47 per cent.

Mr. Siddon: At the gas pump?

Mrs. Erola: We are talking about revenue sharing.

Mr. Taylor: Whose oil is it?

Mrs. Erola: In the period 1980 to 1986, the breakdown of revenue sharing will be: for Canada $54.3 billion, which is a 25 per cent share; for Alberta $64.3 billion, which is a 30 per cent share; and for the industry $94.2 billion, which is 45 per cent of the share. Members of the opposition call this a federal revenue grab.

An hon. Member: It is a rip-off.

Mrs. Erola: I think the people of Canada will make that decision. Speaking of the people of Canada, a recent poll by the Canadian Petroleum Association indicates that some 84 per cent of Canadians supported the government's Canadianization objectives.

I think it is very significant that the hon. member for Etobicoke Centre, who speaks, as he indicated, for the province of Ontario, chose to ignore the fact that just yesterday the province of Ontario announced that it too was participating in the Canadianization drive by acquiring a 25 per cent interest in Suncor. It is interesting that the National Energy Program not only has the support of the producing provinces but also the support of the major consuming province of Canada, namely, the province of Ontario. We are looking for and getting support for this program from Canadians from every region of this country.

Again, I find it very amusing that the hon. member for Etobicoke Centre chose to ignore the fact that his province, the province which he says he represents, is now participating in the Canadianization program.

While we are considering Bill C-48, opposition members have urged us to seek an agreement with Alberta. That has been achieved. I want them to examine that agreement, as I did just a moment ago, in terms of what it does for the province of Alberta and for the people of Canada.

Mr. Siddon: Fourteen-cent gas, is it?

Mrs. Erola: In 1986, Canadians can expect to pay 79.4 cents per litre for gasoline and 56 cents per litre for heating oil. The levels are currently 37 cents and 25 cents respectively.

Let us have a look at what is happening in other countries. In 1986, Canada's gasoline prices will be lower than those currently being charged in most industrial countries. In Italy the price charged for gasoline is 92.6 cents per litre; in West Germany the charge is 76.3 cents per litre; in the United Kingdom the charge is 89 cents per litre; in France the charge is 86.1 cents per litre; and in the United States the charge is 42.9 cents per litre.

Mr. Siddon: You broke your promise.

Mrs. Erola: Yet in Canada we will not be paying those prices even by 1986.

However, getting back to Bill C-48, I would like to remind hon. members that the primary objectives of Bill C-48 are to promote Canadian ownership and participation in the very promising oil and gas activities on Canada lands—

Mr. Munro (Esquimalt-Saanich): Haven't you been doing that all along?

Mrs. Erola: —to accelerate the search for oil and gas and to hasten the arrival of oil self-sufficiency. I find the comments made by the hon. member from Etobicoke quite interesting and amusing; interesting in terms of Newfoundland. It is well known that the Canadian government has said to Newfoundland that it will receive 100 per cent of those revenues until that province reaches the "have" stage, and then the revenues

will be shared, as is the custom, with all Canadians, with one another.

Let us be honest. Without a specific legislative framework such as Bill C-48, oil companies would be able to exploit our offshore resources answerable to no authority, with no inducement to protect the environment, pay royalties or ensure Canadian participation. I do not think any Canadian would accept that. We, the national government, are negotiating a comprehensive settlement with the coastal provinces. We must exercise our responsibilities to manage and husband those precious resources. We must have the means to do so until such time as that settlement is finally achieved.

I urge all hon. members opposite to reflect quietly on their past behaviour. This House will soon have very important budgetary proposals before it. The constitutional question will require final determination by this House of Commons. So, let us get on with the job; let us get Bill C-48 on the road, and let us get on to energy self-sufficiency.

• (1630)

I should like to close by saying that I came back to this House with a certain amount of enthusiasm. I thought we were going to sit here, deliberate seriously and get on with the business of making Canada grow. I have been, in the last three hours, more than disappointed and amused. I must say that perhaps the addition of a few extra women would serve this House well because the behaviour of this House has been something I have been very, very familiar with in the north, and I would liken it to moose in rutting season.

Some hon. Members: Oh, oh!

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to participate in the debate on Bill C-48 at the report stage. It is a bill which seeks to regulate the oil and gas interests in Canada Lands and to amend the Oil and Gas Production and Conservation Act.

I listened with great interest to the comments of the hon. lady, the Minister of State for Mines, the hon. member for Nickel Belt (Mrs. Erola). I found some of her comments were interesting. Speaking as a Nova Scotian, it is obvious to me that she has not been in Nova Scotia lately or she would not have spoken to this House as she did.

The hon. member for Etobicoke Centre (Mr. Wilson) mentioned that members from Atlantic Canada should address this particular issue. I had an opportunity to speak to this bill at second reading and I welcome this opportunity to place my arguments again before this House. In the time allotted to me I shall attempt to relate my remarks to my native province of Nova Scotia and to the economic impact which this bill, if passed in its present form, would have on our people.

I know the House will understand if I digress for a moment to mention that Nova Scotians who support the Conservative Party are today walking tall as a result of the outcome of the provincial election in my province on October 6. This election showed my party returned to power with 37 seats, while the Liberals hold only 13, and the NDP, since it elected only one, has lost its status as a party in my province.

An hon. Member: An interim setback.

Mr. Crouse: One of the NDP members says it is "an interim setback". If you call going backwards almost to anonymity going forward, I guess it all depends on how you read the signs. We are rather pleased with this.

During the campaign our premier asked for a strong mandate so he could take a message to Ottawa indicating that Nova Scotians do not like present federal policies. This, of course, is an understatement. I learned while campaigning with the premier and my provincial colleagues that Nova Scotians at all levels of society are demanding that the federal Liberal government do something about high interest rates, about high mortgage rates, about high rentals, which are now higher than they have ever been in the history of this country; do something about the debased purchasing power of the Canadian dollar and take some action generally to fight the economic problems facing all Canadians.

This bill is related to one of the planks of our premier's program, which is to develop self-reliance in energy for Nova Scotians through resource development. To make this possible we must, of course, have a stronger say in the over-all development of our offshore resources. While of late we could not help but note the more amicable attitude taken by the Right Hon. Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde) in finally reaching an agreement between Alberta and Ottawa—which gives us some cause for hope that similar agreements may be reached in Atlantic Canada—there is, however, considerable doubt as to how this will be achieved.

The return to the House of Bill C-48 at this time, when we are faced with so many other problems in this nation, only serves to reinforce these doubts about the government's intentions. In my opinion this bill is obviously improperly worded and should be withdrawn completely from this House.

When the Minister of Energy, Mines and Resources introduced this bill to the House on December 11, 1980, he called it the key element in the successful fullfilment of the government's national energy program. He waxed eloquent as he stated that our offshore regions cover an area of some 2.5 million square miles. The territories alone, he said comprise another 1.5 million square miles. Together this is what the Liberal Party calls the Canada lands, an area which is almost twice the size of the ten provinces combines.

The minister claimed that oil and gas rights have already been issued for 350 million acres in the Canada lands and that the bill will convert existing rights to the land management regime establishing it in a meaningful way. This same minister, when speaking at the report stage of Bill C-48, added insult to injury so far as we in Atlantic Canada are concerned when, as reported at page 11472 of *Hansard* of July 13, he stated:

When the resources belong to the people of Canada, would it be responsible to have a situation where the premiers or heads of various governments could veto development?

In the next paragraph he stated:

The notion that a particular region of this country could prevent the people of Canada from getting the benefit of resources which belong to them is one which we as a government cannot accept.

These words are fighting words thrown in the face of Atlantic Canada's premiers. I ask this house: by what authority does this government and the federal Liberal Party say that the resources off Atlantic Canada's coast belong to all the people of Canada? Maybe the Minister of National Revenue (Mr. Rompkey) can answer that question. I would like to hear him expound on this particular thesis.

As Nova Scotians we have based our claim to these resources as far back as 1621 when King James I granted the Royal Charter of Nova Scotia to Sir William Alexander. At that time, in recognition of the utter dependence of the colonies on the sea as a means of transport, he granted as well the water adjacent to our shores to the provinces. In recognition of this dependence, the king included as part of our territory a band of sea stretching about 100 miles seaward from our coast. This particular band easily encompasses Sable Island and covers a large section of the grey area, the controversial Georges Bank, and it also covers a large section of what we call the Scotian shelf.

These boundaries were observed for many years despite numerous conquests and treaty settlements. In fact, Canada's Constitution, the British North America Act of 1867, provided that Nova Scotia's limits would be exactly the same after confederation as they were before.

This claim is further supported by a parliamentary document entitled "Offshore Mineral Resources, Legal Aspects", which says at page 2:

At Confederation, Nova Scotia, New Brunswick, Quebec and Ontario retained ownership of the "lands, mines, minerals and royalties", and all public property then belonging to them.

This was embodied respectively in Sections 109 and 117 of the British North America Act. This proviso was also made applicable to Prince Edward Island and British Columbia when they joined Canada. In the western provinces the situation differed initially, as the natural resources were reserved to the federal government when Alberta, Saskatchewan and Manitoba were carved out of what was then called Rupert's Land.

However, the British North America Act of 1930 subsequently transferred the same rights to those provinces, and when Newfoundland became part of Canada in 1949 it was put in a similar position by term 37 of the Terms of Union. Thus, I point out to the House, there is historical and legal justification for provincial resource ownership. This is why I suggest Bill C-48 should be withdrawn. It should be reconsidered and its wording should be changed so its enactment in its present form will not rape, rob, pillage and plunder an area which has too long been classified as a have-not area.

We have worked hard in Atlantic Canada, especially in Nova Scotia, to literally pull ourselves up by our bootstraps. Now that we have clearly established and reaffirmed the provincial right to control land-based resources, as is clearly written into the British North America Act, the claim of the Atlantic provinces to rights covering undersea oil and gas resources off our shores can surely no longer be denied us Nova Scotians, in my view. Now more than ever before there is legitimacy in the argument long held by Nova Scotians that the undersea resources should be deeded to those of us who live in Atlantic Canada in compensation for the mineral-rich lands which other provinces have received early in this century. The Atlantic region has far too long been ignored in its request to be given the same consideration which the federal government gave other provinces through the provision of land where great treasure has been found. Land which, incidentally, all provinces originally held in joint ownership. I feel very strongly about this issue or I would not have taken the time and the effort to speak twice on this same measure.

● (1640)

We do not want the federal government to give us anything to which we are not entitled. We are not beggars and we are not begging, but neither do we want the federal government to take away from us those lands and resources which we feel, we know, and we believe we legitimately own in law under the terms of Bill C-48.

Some hon. Members: Hear, hear!

Mr. Crouse: Those are our lands. In the pirit of justice, fairness and equality, Sir, and in compensation for having surrendered our claims to the northern lands given other provinces, the day has surely arrived when our federal government should no longer hold us in bondage, making us come like a beggar hat in hand here to Ottawa looking for crumbs. It should make up for the oversights of the past and enlarge our territories by recognizing that the land under the sea, to the limits of exploitability, belong to us. We would thereby find our place in the sun.

I can assure you, Sir, that we will be like other provinces. We will be willing to share, but we feel we must have the opportunity throughout the eighties and the nineties to make Nova Scotia self-reliant. In simple language, we must be able to pay our own way. That is all we are asking.

The oil and gas finds off the east coast are promising, exciting and, I believe, they are substantial. Their development can provide us with revenues, lower cost fuels and a competitive source of power for homes and industry. We as Nova Scotians must be assured that supportive industries that foster oil development under the North Atlantic, that support and maintain drilling and the eventual production of raw fuels, are based in Nova Scotia or in Newfoudland, as much as possible. There will be plenty for both our provinces and we want to have a say.

We have been looking for the light at the end of the tunnel for years, Mr. Speaker. Now light is slowly dawning. New

opportunities are being thrust upon us. We feel we have to be ready to meet the challenge and to provide trained, willing and eager Nova Scotians to profit from the job opportunities opening up.

I urge the House again to withdraw this bill at this time because the timing is wrong. If it passes in its present form, what does it do? It places not just a little club but a very big club in the hands of the Right Hon. Prime Minister. It makes a mockery of the proposals put forth by that hon. gentleman to the Premier of Nova Scotia on July 21. In that letter, the Prime Minister stated that he shared Premier Buchanan's view about the desirability of beginning to devise co-operative administrative arrangements and a system of revenue-sharing which will prove acceptable to the two levels of government.

Said the Prime Minister in the second paragraph:

> This issue cannot remain unresolved much longer. It is therefore the intention of the federal government to see the matter resolved through the legal process while federal-provincial discussions concentrate on the more germane aspects of administrative mechanisms and revenue-sharing.

In the third paragraph, the Prime Minister states:

> In this context, I would like to propose that we undertake an intensive round of negotiations this fall with a view to resolving all outstanding matters by February, 1982. If by then we have not reached an agreement, we should await the outcome of the legal process, which would of course mean that any future negotiations would start from a different base.

Mr. Speaker, that is the big club we would be giving the right hon. gentleman if we passed this bill now. If we used the right hon. gentleman's own reasoning, there should be no further debate on this bill, in fairness to Premier Buchanan and in fairness to Premier Peckford of Newfoundland, until February of 1982. This could mean that, pending the outcome of the negotiations and the legal process, the discussions could then start from an entirely new base. Those were the Prime Minister's own words.

I submit, Mr. Speaker, that the stakes are very high for Atlantic Canada. They are too high for us and for the federal government to rush in at this moment to try to settle this matter in a hurry.

I am pleased to see the Minister of Regional Economic Expansion (Mr. De Bané) in the House since I wish to quote briefly from his own document. The hon. gentleman, in Volume No. 1 of his magazine *Evolution*, states, on page 11, that the onshore impact of offshore activity could produce 20,000 to 30,000 direct jobs, some 150,000 indirect jobs, and investment could reach $8 billion. The article goes on to list the fields in which this activity would take place, such as temporary and permanent service bases, repair, maintenance and steel platform fabrication yards, pipeline installation and pipeline coating yards, partial processing facilities, gas processing and treatment plants and marine terminals. I am only listing a few of the possible golden opportunities that await those of us who live in Atlantic Canada. All these are quoted in the booklet put out by the hon. Minister of Regional Economic Expansion.

It is for these reasons, Mr. Speaker, that Nova Scotians and citizens of Atlantic Canada are going to fight. We are going to fight hard for our rightful place when administrative arrangements and revenue-sharing decisions are made by government authorities. It is unfortunate, Mr. Speaker, that this government did not give more time to resolving the difficulties we face owing to the breakdown of the Law of the Sea Conference instead of concentrating its efforts on Bill C-48. When the 150-nation UN conference adjourned this summer in Geneva, the *Times* of London summarized its results as follows:

> The old regime has not been cast aside and cannot yet be, although its days are numbered. The new order is almost ready, and is waiting to take its place, but it cannot yet occupy the centre of the stage.

The bombshell was dropped at that conference by United States Ambassador James Malone when he said:

> The political and economic interests of the United States need to be better protected in the decision-making system of the proposed international seabed authority.

This causes me to ask, where does the breakdown of this conference leave Canada and Canadians? Most of what we have obtained so far in maritime terms beyond the old three-mile limit has been obtained only by unilateral declaration. They include the economic zone. While the 200-mile fishing zone may be safe, I submit to this House that the 200-mile mining and drilling zone is definitely in jeopardy. We claim—only by unilateral declaration—sovereignty over the Arctic archipelago, the waters in between, and the Arctic islands. We claim—only by unilateral declaration—national jurisdiction over the continental shelf and its resources, principally petroleum. None of these declared assertions of jurisdiction will be recognized internationally if the Law of the Sea convention is not concluded and ratified.

● (1650)

Since we are unable to defend our claims with armed force, there may well be invasions of our proclaimed sovereign areas by those who want to drill for oil within the 200-mile limit or drag for minerals on our continental shelf, unless the convention becomes accepted international law.

What we do have under the 1958 international convention on the continental shelf is jurisdiction on the seabed and in the subsoil out to the limits of exploitability, which today means about 1000 feet. On the east coast, this barely covers Hibernia. In other words, the Law of the Sea convention was an attempt to provide the sanction of international respectability and legality to what we and other states have done unilaterally.

In light of its importance, I cannot help but wonder why the Right Hon. Prime Minister failed to convince President Reagan, for example, that the Law of the Sea was an important item both for Ottawa and the North-South Summit at which, I understand, it was not discussed. By failing in this regard, we stand to lose important economic jurisdiction and potential energy resources, especially in Atlantic Canada.

Since the Law of the Sea will determine whether the potential oil and gas resources off our east coast belong to Canada or to the world and since the conference will take place again in Venezuela only in the fall of 1982, I say, for the final time, that Bill C-48 should be withdrawn until this

government gets its priorities straight and until this government is certain that its unilateral actions are backed by international law. For all these reasons, I am opposed to this legislation in its present form and wording.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I wonder if the hon. member who last spoke would permit a question since, I think, he has some time left.

The Acting Speaker (Mr. Blaker): No. I am sorry to inform the hon. member that the time allotted to the hon. member for South Shore (Mr. Crouse) has expired. However, with the unanimous consent of the House I can permit a question to be put to him. Is there unanimous consent?

Mr. Rompkey: Mr. Speaker, I was wanting to intervene on a point of order to ask if I might have some minutes to speak. However, I understand we have until six o'clock this evening. In view of that perhaps we could agree to that.

Mr. Waddell: Mr. Speaker, I have just a short question for the hon. member. I followed the Nova Scotia election. The hon. member made reference to Nova Scotia and to the position of the government. As I understand it, the Premier of Nova Scotia has now said that he has a deal with the Prime Minister (Mr. Trudeau) and that he agrees to what the Prime Minister offered him in a letter which was sent this summer. I have read the letter, and it appears to me that the Prime Minister has offered revenue sharing and 100 per cent of revenue for a period, but in fact he has retained federal control.

I wonder if the hon. member, who made reference to the position of the government in Nova Scotia, could explain to me why the Government of Nova Scotia has given up its claim to offshore control and why its policy differs with the policy of the Conservative Party here in the House. Perhaps he could clear that up for me because I think there is plainly a conflict.

Mr. Crouse: Mr. Speaker, this explains why the NDP now has only one member in Nova Scotia.

Mr. Waddell: A smart answer, but it does not answer the question.

Mr. Crouse: The simple fact is that we have not given up our claim to offshore resources. What we want to have is a stronger voice in administrative arrangements and in the revenue sharing which will accrue to our province when the offshore oil and gas developments take place. We want to have a say as to where the drilling equipment will be built, where the oil pumping platforms will be constructed, and who will man them. There is a host of ancillary industries which are allied with this enormous type of development. When we look at the figures I have put on the record as taken from the minister responsible for DREE and see the potential, we want to know precisely the areas in which our province will share. That is why I raise these issues and place them on the record today.

The Acting Speaker (Mr. Blaker): Before I recognize the next hon. member to speak, I want to make my apologies to the hon. member for Vancouver-Kingsway (Mr. Waddell), who earlier approached the Chair and indicated that one of the members of his party would like to speak. Subsequent to that I see that the Minister of National Revenue (Mr. Rompkey) is rising to be recognized, and I have to remind hon. members to my left that the Chair is obligated to move from left to right in that order. So I will recognize next the Minister of National Revenue and thereafter, if he rises, the hon. member for Nanaimo-Alberni (Mr. Miller).

Hon. William Rompkey (Minister of National Revenue): Mr. Speaker, I had not intended to speak this afternoon, but both the hon. member for Etobicoke Centre (Mr. Wilson) and the hon. member for South Shore (Mr. Crouse) have referred to me, and I feel, moreover, that it is important to put the facts on the record, in view of the allegations and positions put forward by the opposition.

The main case the opposition is putting forward is ownership. Ownership is completely irrelevant in this issue. Hon. members opposite are arguing on the grounds put forward by the Premier of Newfoundland. When the Leader of the Opposition (Mr. Clark) was head of the administration, he wrote a letter to the Premier of Newfoundland. If the hon. member for Etobicoke Centre had gone on to quote the letter at greater length than he did, I think he would have shown that that letter was so full of holes as to be meaningless. The then prime minister granted ownership on certain conditions, and those conditions certainly depended on federal jurisdiction. In my opinion, that letter from the then prime minister was really not worth the paper on which it was written and, indeed, did not address in a legitimate way the question of ownership because that issue cannot be addressed.

Ownership is not the relevant issue, and I think we should put that to rest. Let me give an example. The province of Newfoundland owns the forests of Newfoundland, it owns every tree in Newfoundland, yet we have signed three DREE agreements with that province to improve the forest industry there and to build up the provincial forest service. There is no way it could have been done without federal participation. That resource is completely and utterly owned by the province, but I submit it would have been impossible to develop the forests of Newfoundland without federal participation. The question of ownership in that case is completely and utterly irrelevant.

Let me give a second example. A mine in my riding is being closed down. It is not a question of ownership. The province owns that mine. it owns all the minerals under the earth, yet where is the province coming for help? It is coming to the federal government.

I submit again that ownership is not the relevant issue. Just because you own something that does not mean you have jurisdiction over it or you control it because the important concept here is not ownership at all but, indeed, jurisdiction and control, and that is what we have been trying to point out to the Government of Newfoundland for the last two years.

Now it seems that the Government of Newfoundland is starting to see the light. We have not changed our position at all, but the Prime Minister (Mr. Trudeau) had to go to Newfoundland to clarify that position on television in order to get the provincial government to start to negotiate, hopefully in good faith. The principle we have been stating ever since the 1979 election—and that position has not changed at all—is that we want to negotiate with the province of Newfoundland and, indeed, with the other maritime provinces on the basis of revenue sharing and jurisdiction. We have said consistently that 100 per cent of the provincial-type revenues would go to the provinces as if the resources were onshore. The Prime Minister has quite clearly said that whatever revenues the provinces would normally get would go to them as if the resources were onshore. I do not think it can be made much clearer than that. That, it seems to me, is very clear. Revenues would be treated as if the resources were onshore and as if the provinces indeed were controlling those resources onshore.

● (1700)

The second thing we have offered is joint jurisdiction. We have said that it should not be the provincial government alone or the federal government alone, but indeed the federal jurisdiction applying concurrently its jurisdiction to that problem.

The people of every province in this country, particularly Nova Scotia and Newfoundland, are very fortunate because they do not have only one government working for them, they have two. Some people in my province have been asking me for the past two years to choose between being a Newfoundlander and being a Canadian. I refuse to make that choice. I am proud to be a resident of that province and at the same time proud to be a Canadian.

I reject those who ask me to make a choice. I will not make that choice. That is the essence of Canadianism. The people of Newfoundland are fortunate, and they know they are fortunate to have not one but two governments acting on their behalf. That is what we are saying.

Surely the federal jurisdiction and the provincial jurisdiction together are more important, powerful and effective in the long run than both governments working separately or indeed, even worse, both working at loggerheads. That is what we are proposing. Hopefully, if we can get the provinces to focus on the issues and negotiate in good faith, we can have an agreement, one that is good for Newfoundland.

I agree with my colleague from South Shore that we need those revenues, not handouts or dependence. We want real jobs and real money coming from those jobs for resource development. I agree with that. All Newfoundlanders want to see that.

The only way to do that is to get a deal that will be good for Newfoundland and good for Canada. Here is the importance of Bill C-48. While Newfoundland has a very real need that we can and must address to the resolution of these negotiations, Canada has a need as well. Those resources off the east coast of Canada are just as important as the resources in the Beaufort Sea and the resources in Alberta.

Until we can have a package, program and policy that encompasses, uses and plans the development of all those resources jointly, we will not be able to solve the energy problem in this country and have a great impact on the more serious problem of inflation.

We are fortunate, we can achieve self-sufficiency in Canada. However, there is a Canadian need now and we must address it. We in Newfoundland have to see not only to our own need, which is very real and urgent. We can solve that and it must be solved. We can have money going into Newfoundland. If the province of Newfoundland had started negotiating two years ago as it is doing today, we could have had a deal. Those revenues, which are sorely needed, would be going into that province.

The other consideration is the Canadian need. That must be addressed. The question of ownership is not the relevant issue. Who owns what is immaterial. It can be put aside. Who gets the money, who has the jurisdiction and control are the relevant issues. Those are the matters we should be talking about, not spurious, irrelevant issues that really do not matter in the long run.

Now that the negotiations are going on, now that the Government of Newfoundland and indeed the Government of Nova Scotia have come around to seeing that we must negotiate along those lines, I hope we can have an agreement and will create those jobs which are very necessary in eastern Canada.

Mr. Munro (Esquimalt-Saanich): On a point of order.

Mr. Crouse: Mr. Speaker, may I ask a question of the minister?

The Acting Speaker (Mr. Blaker): I have the hon. member for Esquimalt-Saanich on a point of order. Perhaps I should recognize him first.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, the Minister of National Revenue (Mr. Rompkey) has just gone to great lengths to disown the notion that we are talking about ownership. As he was speaking, I was reading in the interpretations of definitions in the second part of this bill, referring specifically to Canada lands, the term "belongs to" or that belongs to Her Majesty in right of Canada. That carries some aspect of ownership to my understanding of English, or "in respect of which Her Majesty in right of Canada has the right to dispose of or exploit—"

The Acting Speaker (Mr. Blaker): Order, please. If the hon. member had indicated he wanted to ask a question, which is where he is going, I would have recognized him for that purpose. However, if the hon. member is on a point of order, will he draw the attention of the Chair to that point of order?

Mr. Munro (Esquimalt-Saanich): It is that the minister seemed to have been deliberately obfuscating the issue by disowning the notion of ownership, whereas the ownership seems to me to be in the definition.

The Acting Speaker (Mr. Blaker): Order. The hon. member is making a point of debate. I can understand that he may feel it to be an appropriate definition. I recognized him on a point of order. I would have recognized him equally with no difficulty on a question. Perhaps the hon. member would like to put a question to the Minister of National Revenue (Mr. Rompkey), and if the minister is agreeable he can answer it.

Mr. Munro (Esquimalt-Saanich): Can the minister reconcile his disowning the notion of ownership with the terminology used in clause 2 that Canada lands means "lands that belong to Her Majesty in right of Canada?" Does that not mean ownership? Further, does it not mean ownership when it goes on to say "or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources?" There is less ownership in the second instance than in the first. Perhaps he can explain what I find difficult to understand.

Mr. Rompkey: I would hate to go through my whole presentation again. Obviously the hon. member has completely misunderstood the point I was making. The point I was making is that the question of ownership as I see it is not a relevant issue. It is what the opposition have been talking about this afternoon, but that is the obfuscation.

In my opinion, the question of ownership is not the relevant issue. The relevant issues are revenues, control and jurisdiction. Those are the relevant concepts. I submit that whatever is read in the bill or is not read, the point I was making is the relevance of various aspects of this question over others.

I say that the opposition have been emphasizing what are minor aspects of it. What I am trying to put on record is what I see to be the important aspects of this issue.

Mr. Crouse: Mr. Speaker, I have one brief question for the minister. I listened with great interest to his address. When any revenue-sharing agreement expires, does not the owner of the land remain in the dominant position, the supreme position, the only desirable position?

Mr. Rompkey: Mr. Speaker, my answer will have to be the same. I would have to go through my whole presentation again. I seem to have difficulty in making my point to the opposition. Either they do not understand what I am saying or they refuse to accept what I am saying. Let me state it again for the record.

In my opinion the issue on the east coast of who owns the resource is not at this point in time the relevant issue. The relevant issues to our people are who gets the money and the benefits and do we have adequate control and jurisdiction. Those are the relative concepts, not the concepts of ownership.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I was beginning to wonder whether I would be recognized today. Now that we have settled most of the jurisdictional disputes between the official opposition and the government party. I would like to make some points on behalf of the New Democratic Party. First, in reply to the hon. member for Nickel Belt (Mrs. Erola) who is temporarily out of the House—

Mr. Blais: The Minister of Mines.

Mr. Miller: Thank you very much. The minister made reference to the behaviour of members in the first three hours. I think there is justification for the kind of energy being demonstrated on this side of the House, if not on the other side. We have all been in our constituencies. Many members have been across the country, talking to people in extreme difficulty attempting to meet mortgage payments, inventories and bank payments, whether they be farmers, small-business men, fishermen and, in particular, the hard-hit home owners looking at interest rates of 19 and 20 per cent. The behaviour in the House that we should be critical of, I think, Mr. Speaker, is the behaviour of the government that comes back after three months without any answers to the economic problems that the Canadian public is facing right now.

• (1710)

An hon. Member: Right on.

Mr. Miller: The hon. minister was also critical about the time delay in passing Bill C-48. Mr. Speaker, the members on this side of the House were aware that when the bill was first introduced, it was a poor one. Having gone through many committee meetings, it is still a poor bill. At this stage of the bill, it is still a poor bill. We will still be debating a poor bill, I suspect, after the government imposes closure on us and passes Bill C-48, despite the kind of economic and resource grab and interference that Bill C-48 is going to have in the Northwest Territories, Yukon and in our offshore resources.

Mr. Speaker, the motion of the official opposition before us, is basically a very clumsy way of giving resource ownership, and probably an unconstitutional way of giving resource ownership to the provinces. The motion is not going to receive the support of the New Democratic Party. It is not because we do not support the concept of provincial control and ownership of resources; because we do support that concept. The recent party convention endorsed that policy; we are committed to the policy of ownership of offshore resources to the provinces. We worked very hard in the constitutional debate to assure that onshore resources were, indeed, under provincial jurisdiction.

Some hon. Members: Hear, hear!

Mr. Miller: The motion does not go far enough. If we are going to eliminate from Canada lands all that area in the offshore Arctic, offshore east and west coast, surely we should make a further amendment to delete all reference in Bill C-48 to the Yukon and Northwest Territories. We would then be effectively able to get rid of this bill and would send it to where it should be relegated.

Some hon. Members: Hear, hear!

Mr. Miller: Mr. Speaker, there are many concerns about Bill C-48. Again, the Minister of Mines was critical because of

the amount of input that this bill supposedly has received. Most of that input has come from the industry. The committee was refused permission, although the all-party committee originally granted approval to travel to the north to talk to the Dene people. That approval was withdrawn when the Liberal government recognized the kind of opposition that it was going to receive in the Yukon and in the Northwest Territories.

The input from those people in the north has not been received and will not be received at this stage of the bill. We are dealing with a bill that gives almost complete control over the Northwest Territories, the people in the north, development of the north, to the Minister of Energy, Mines and Resources (Mr. Lalonde). It has taken complete control of northern and Indian development from the hands of the minister responsible to those areas. The bill has not had any input and does not give any jurisdiction to the Minister of the Environment (Mr. Roberts). The Minister of Fisheries and Oceans (Mr. LeBlanc) has been particularly silent on Bill C-48.

Regardless of the kind of motion we are discussing today, and regardless of the NDP support for the concept of provincial ownership, we find ourselves in the position of not being able to support this motion. We are not able to support the bill as it stands. We feel it is morally wrong to impose upon the northern people a bill of this nature without adequate input from that sector of our public, from that community in the north that is so dependent on orderly development of resources in the north.

At the moment, the northern people have little to say on the pace of development, and have no say where that development should proceed in regard to land claims. It is totally immoral in terms of the approach the government has taken toward our northern brothers and sisters.

The future environmental problems are also going to be affected by this bill. We should consider offshore resources as being not only oil and gas. In our rush for spoils in oil and gas off the east and west coasts in the Arctic, we have tended to neglect in this debate the resources that have been very important and should continue to be very important, particularly to the members from Nova Scotia, Newfoundland, Prince Edward Island and New Brunswick. Those fishery resources seem to have very little protection in this bill. I am very disappointed that the Minister of Fisheries and Oceans has not taken the opportunity to draft a bill that recognizes the economic impact of oil pollution and of disasters that are inevitable in the kind of exploration we are expecting to take place off the east coast. I am very disappointed the minister has not taken the opportunity to put down in a concrete manner and to impose in this bill some of his own interests in the interest of the Atlantic fishery. The bill reflects the industry's input, the Liberal Canadianization plan. That is getting a great deal of play in the papers. The public, by and large, thinks they are getting something; that finally we are going to wrest away from the control of the Americans, British and Germans our interests in oil and natural gas. We are now going to have Canadian ownership; but that Canadian ownership is going to come largely at the expense of the Canadian taxpayers who are going to pay up to 93 cents on every dollar in oil exploration in northern waters and offshore. Rather than looking at private Canadianization, we should be looking at giving the federal government a greater role in public ownership.

Some hon. Members: Hear, hear!

Mr. Miller: I suggest that is the way to go, rather than fiddling around with incentives and grants that only give Canadian ownership to private interests for private profits.

I am somewhat bewildered by the Tory position. As my colleague says, I suppose, it is not unusual; but I think it is becoming more obvious. It is possible I will never understand the Tory position.

An hon. Member: No intelligent person would understand it.

An hon. Member: It is incomprehensible.

Mr. Miller: The Tories believe in private enterprise, free enterprise and the privatization of Petro-Canada.

An hon. Member: And then they change their minds.

An hon. Member: Suncor socialism.

Mr. Miller: Fortunately, there are some enlightened Tory premiers that have recognized, for the public good and their own survival, economic and political, that they will have to enter into public ownership of energy resources. I would like to congratulate Premier Davis on his purchase of Suncor. I am also pleased that Premier Peckford is not going to allow the energy resources of his province to be left completely in the hands of private industry. He is proposing a 40 per cent back-in for PetroPeckford in Newfoundland.

I am hoping within the next few days we will hear Premier Lougheed announce he has now bought Imperial Oil and we would have Petroberta.

• (1720)

When I read the Tory motion, originally I thought they were really talking about private ownership of offshore resources rather than provincial ownership, so that the major oil companies could develop them without being hindered by the National Energy Program or a provincial jurisdiction. Certainly I am encouraged that the Premier of Ontario wants a window into the oil industry and he sees it through public ownership. The same policy was being advocated by the NDP in the 1960s. We advocated the purchase of Imperial Oil which could probably have been obtained at that time for something like $2 billion, but unfortunately it was not accepted by the Liberal government at that time.

However, in looking at Bill C-48 and this particular motion, I re-emphasize that we sympathize with Tory attempts to get provincial ownership of resources, because if those resources are owned by the provinces, they can be developed at the pace and the rate which provincial governments see as being benefi-

cial to the public. It is one of the key reasons for ownership of those resources by the provinces. They know better the type of development they need. They know better just how fast, how rapidly and in what way those resources should be developed.

We in this party would like to see co-operation in the development of offshore resources between the provinces and the federal government so that all Canadians can benefit from those resources. We cannot see how the provinces and the federal government can separate jurisdiction and ownership of those resources and still protect the kinds of things over which the federal government still has control, such as the fishing industry. There must be some co-ordination between the provinces and the federal government in oil, in fishing, in navigation, in the area of pollution and in who will pay for it.

When we listen to the premiers making demands for offshore resources and revenues, we would like the premiers and the federal government to consider that along with that ownership goes some of the responsibility to deal with economic issues, such as the fishing industry, pollution and the types of things which accompany the responsibility of ownership. This is the position of my party. We will be speaking on several other motions which we have moved, hopefully in an attempt to see some improvement in this bill. If we do not, hopefully we will see major improvements in the environment and in the way the north is handled. Hopefully the people of the north will have some say. It would be very, very difficult for any member of my party to support Bill C-48 as it stands at present.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

And more than five members having risen:

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

I have a series of motions which have been grouped for debate. Those are motions Nos. 4, 51, 52, 53, 55, 56 and 57. They will be voted on in a manner which I can perhaps detail later. In the meantime I will go through the motions to which I have referred seriatim, and I will be looking for a mover and seconder in each case.

Mr. Jim Fulton (Skeena) moved:

Motion No. 4

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 2 by adding immediately after line 17 at page 4 the following:

"'spill' means an amount of 100 litres or more of oil and any other substance deemed foreign to the environment."

Motion No. 51

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out line 10 at page 62 and substituting the following therefor:

"oil or gas including one that is authorized".

Mr. Peter Ittinuar (Nunatsiaq) moved:

Motion No. 52

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by adding immediately after line 33 at page 62 the following:

"(4) Where a person allows the discharge, emission or escape of oil or gas in accordance with regulations made pursuant to subsection (3), that person shall, in the manner prescribed by regulation, report such discharge, emission or escape of oil or gas to the Chief Conservation Officer.

(5) Where a Chief Conservation Officer receives a report pursuant to section 19(4) or 19.1(2), he shall give notice forthwith to the aboriginal peoples of Canada who may be affected in a manner prescribed by regulation."

Motion No. 53

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out lines 39 to 44 at page 64 and substituting the following therefor:

"(ii) any economic loss or damage resulting from a spill or a discharge, emission or escape of oil or gas that is authorized under subsection 19(3) including, among other things, loss of use of real or personal property or natural resources; loss of profits or impairment of earning capacity due to injury or destruction of property or natural resources, including both individual and collective loss of hunting, fishing, and gathering opportunities of aboriginal peoples; and loss of tax revenue due to injury to real or personal property; and".

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 55

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out line 1 at page 65 and substituting the following therefor:

"(*b*) all persons to whose fault or".

Mr. Jim Fulton (Skeena) moved:

Motion No. 56

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out line 16 at page 66 and substituting the following therefor:

"damage, costs or expenses occurred or became evident to the claimant but in".

Motion No. 57

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out line 23 at page 67 and substituting the following therefor:

"shall direct a public inquiry to be made and may".

The Acting Speaker (Mr. Blaker): The question on motion No. 51 will be put to the House, and a vote on this motion will dispose of motion No. 4. The second part of the ruling is that the question on motions Nos. 52, 53, 55, 56 and 57 will be put to the House separately. I take it that the debate may be sufficiently wide-ranging to cover all the motions I have indicated, but perhaps it might be appropriate to suggest that motions Nos. 51 and 4 might be the focus of attention of those hon. members who wish to speak now, because that seems to be the order in which they have been grouped. Therefore I recognize the hon. member for Skeena (Mr. Fulton).

Mr. Fulton: Mr. Speaker, in addressing myself to motions Nos. 4 and 51, I think I will take some liberty in dealing with the other five motions as well because we may not have another opportunity to speak to them.

The environmental resolutions which have been grouped for debate by Madam Speaker show how inadequate this legislation is when it comes to the protection of the environment. The lack of concern for the environment is demonstrated by the government very clearly. The environmental provisions of this bill are equal only to the contempt the government has shown to people north of 60 when introducing the new regime for oil and gas exploration.

Members will remember that the committee which was studying this legislation supported a unanimous motion to travel north of 60 and how the Liberals came to the next meeting, packed it with members who were not present when the first motion to travel was passed, and rescinded it. That kind of activity became the trademark of the behaviour of Liberal committee members. What is the fear on the government's side about travelling north of 60? Are they afraid to find out the truth, that Bill C-48 is in fact a blueprint for the interests of Canadians south of 60 and has not achieved the bare minimum to protect culture and environment in the north?

The Minister of Energy, Mines and Resources (Mr. Lalonde) has a hyped-up sales pitch that Bill C-48 will play a vital role in Canadianizing the oil and gas industry. The environment is disturbed just as much regardless of who owns the machinery. The important issue is the regulatory regime. Ducks disturbed by aircraft and polar bears slicked with oil have little concern about whose pockets are filling fastest from the exploitation.

What is important to the biological environment is a system of checks and balances that demands of industry the most benign form of interaction possible. The sneaky reversal of the committee's plan to travel was equalled at a later date when the Liberals and my Tory friends on the right made a sweetheart deal to close off debate on the bill while it was still in committee. Anyone familiar with parliamentary procedure knows that the reason we are debating this bill now is that the Liberals and Tories are in the same sticky swamp and that report stage debate was taking place because the Conservatives went into the deal with the Liberals with a few parliamentary screws loose.

• (1730)

It is clear, Mr. Speaker, that Bill C-48 is designed to speed up the exploration for oil and gas on what have been called Canada lands. That in itself may be laudable from a narrow supply point of view, but with the lack of environmental provisions in the legislation I am afraid we are looking at an environmental disaster in the making.

How can proper baseline data be collected when the permit structure is of such an accelerated design? Important biological studies will never be done for several reasons. First, the legislation is designed to speed up oil and gas exploration without any balancing mechanism to protect plants or animals, and second, the legislation is purposely drafted to avoid dealing with environmental impact costs.

It is therefore inevitable that many species will be unduly disrupted, damaged and in some instances completely destroyed. Bill C-48 is written with such a singular vision and preoccupation—to extract oil and gas—that even the proposed role for the Minister of the Environment (Mr. Roberts) has been sidelined.

Bill C-48 is much like a court composed of a prosecutor only. The minister has opted for all the powers of decision despite the obvious conflict of interest.

Let me first deal with what I think is the major fault of this legislation regarding the environment. Some of my colleagues have talked about the other silent partners in this legislation—the Minister of Indian Affairs and Northern Development (Mr. Munro) and the Minister of Fisheries and Oceans (Mr. LeBlanc)—however, the minister who sits most idly while his department is bypassed by the monolithic energy department is the Minister of the Environment.

At the March 12, 1981, meeting of the Fisheries and Forestry Committee, I asked the minister about some of the environmental concerns passed on to us by groups such as CARC, the West Coast Environmental Law Association, the United Fishermen and Allied Workers Union and many other groups. Besides referring a question about staff requirements to his departmental officials, the minister said that he was "happy to have this kind of question because, as minister, I never feel that my colleagues give me quite as much in the way of resources as I need to undertake the important work of the north".

That statement, Mr. Speaker, is shocking. It shows just how little the Minister of the Environment knows about Bill C-48. If the minister does not do anything about his participation in Bill C-48, he will be standing with one toe in a lake killed by acid rain but up to his neck in oil slicks and tales of the demise of Canada's wildlife resources.

Why are we concerned about the Minister of Energy, Mines and Resources and particularly this minister, when it comes to the environment? Let us look at the record of the Department of Energy, Mines and Resources and its track record with the environment.

The Minister of the Environment should read some of the reports produced by his own department. A report prepared in April of last year documents the concerns senior departmental officials have about offshore exploration and the problems they have in relation to the Department of Energy, Mines and Resources.

Perhaps the most condemning comment is found on page 13 of the report which reads: "The lack of environmental consciousness exhibited by EMR is a concern." I regard this as a tough statement for public servants to make. This is a comment from a government official, not a member of the opposition. It is clear that EMR is a proponent department. A proponent department like EMR is by mandate and definition primarily, if not totally, concerned with getting oil and gas out of the ground and from under the water. Mr. Speaker, that is expected of them. But there is a need for adequate checks and balances, and these are not present in Bill C-48. I say and the NDP says that the proper check on EMR's mad dash for oil and gas should rest with the Department of the Environment.

No moves have been made to give formal protective status to the 150 or more identified and internationally recognized ecological sites north of 60. There are still only six federal wildlife biologists north of 60. There have been no settlements of claim with Canada's first Canadians north of 60—to protect and enhance their culture and traditional interaction with wildlife and the environment.

Bill C-48 is, I am sure, epic poetry—music to the cash register ears for which it is written, but Bill C-48 is an obituary to many cultures and species.

The report I referred to earlier goes on as follows: "The Department of the Environment should act as spokesman in respect of environment, identifying to and for the government, environmental concerns." We know Mr. Speaker, that the proposed national resources management administration which I understand will be announced next week by the government, will include representatives from the Department of Fisheries and Oceans, the Department of the Environment and others, but we also know who pushes whom around in this government and in other governments. I predict, Mr. Speaker, that the Minister of the Environment and the Minister of Fisheries and Oceans will gather a lot of dust in this arrangement. I challenge the government to publish the minutes of the meetings of this council. That way, we will see whose interests are being protected and whose interests are being raised.

In fact, on June 18, 1981 in committee, the minister said he would release the terms of reference of the council. Because of the Liberal-Tory deal to close debate in committee, however, we do not have those guidelines. I would ask the minister to table those terms of reference in the House during this debate.

Mr. Speaker, the minister's proposed council is not laid out in the legislation and I would like to raise a few points about why it should be if it is relevant to the amendments before us.

One of the criticisms of the federal government's environmental assessment procedure is that it is not enshrined in legislation. I have expressed my concerns about this matter, and I would certainly want improvements in the assessment process before it is legislated. I should like to refer to a number of reports that show why the lack of a legislative mandate to protect the environment in Bill C-48 is such a bad move by the government.

A report done in December 1978 by the Department of Energy, Mines and Resources says that there has been "slow acceptance at senior levels of the long-term need to make environmental evaluation a basic element in both the economic analysis and planning processes." In layman's language that means that senior people in the department are not particularly concerned about the environment. The report refers to the environmental assessment and review process as it relates to the department.

The report also says there are problems in EMR in implementing the necessary processes. This point was pursued by the Canadian Arctic Resources Committee. In a letter to members of the committee studying Bill C-48, it expressed serious concerns about the lack of staff in EMR to carry out minimal environmental research.

The Department of Indian Affairs and Northern Development—the silent partner—is no better. Despite the fact that EARP was established by cabinet in December, 1973, by December 1980 the department had still not established procedures on environmental screening—after over eight years. A recent article in the Ottawa *Citizen* makes reference to pressure being exerted on the Department of Indian Affairs and Northern Development to grant exploratory rights before legislation recognizing native rights is passed by Parliament. The government's hypocrisy is shown by its intention to proceed with the Norman Wells pipeline despite the completely unchallenged work of Mr. Justice Thomas Berger.

Mr. Kelly: What does he say?

Mr. Fulton: What is the government afraid of? I hear a member opposite yapping, so we will see if he has something to say.

Mr. Kelly: What is his reaction?

Mr. Fulton: They have been running around the country saying that Bill C-48 is "neutral" on land claims, but when pressed to come up with a legal opinion we see what a charade the government parades as the truth.

At this point I want to remind the noisy member opposite that the Minister of Indian Affairs and Northern Development agreed on June 1 to provide a legal opinion on whether Bill C-48 affects land claims negotiations. He promised that when native people were present at committee. To date we have not seen that opinion. In fact, the minister has written to me

indicating that he does not intend to provide any legal opinion. One could well assume that Bill C-48 has much worse implications for the resolution of aboriginal title and rights than was previously thought. Again, it is the Liberal gain—promise everything when the TV lights are on but in the cool mushroom atmosphere of cabinet privacy, sing a different tune.

It is clear, Mr. Speaker, that the environment will take the back seat on this legislation and our party will continue to argue for recognition of the need to protect the environment from Liberal abuse, and Canadians from Liberal deception.

Mr. Speaker, the amendments proposed by the hon. member for Nunatsiaq (Mr. Ittinuar) and myself recognize the importance of the environment and would give the government and all Canadians a mandate to protect the delicate ecology of the north and the offshore, both in British Columbia and in Atlantic Canada.

Having documented the concerns our party has over the feeble position of the Minister of the Environment on this bill, I would like to make some points on the specific amendments presently before the House.

Our motion to define a spill as "an amount of 100 litres or more of oil and any other substance deemed foreign to the environment" will give the government a legislative mandate to control chronic oil pollution, which, as my colleague the hon. member for Nanaimo-Alberni (Mr. Miller) has pointed out, could present us with more long-term environmental problems than even major oil spills that rigs like Ixtoc in the Gulf of Mexico last year caused.

● (1740)

On June 6, 1981, the minister had this to say about my definition for quantifying a spill:

> We would rather leave it open, and then if we want to act on a one-litre spill, we can act on a one-litre spill.

I do not know if the Minister of Energy, Mines and Resources thinks that statement fools anyone. If 100 litres is too big, then I will stand aside—and I am confident my colleague, the hon. member for Nunatsiaq will also do so—for a further amendment taking it from 100 litres down to one litre. I will support the minister's own proposal of one litre; but let us see a quantifiable legal definition.

I just want to quote from a report written by Environment Canada in June, 1978, that says:

> —the cumulative effects of small leaks and spills over long periods of time are capable of devastating salt marshes, fish spawning areas, shellfish areas, etc.

Let us look at the experience elsewhere. In Wales, the harbour authority has defined a spill as anything over a few barrels. What this has done is to give a mandate to the local authorities to watch the chronic oil pollution problem closely, but it has also meant that the companies involved have taken the time to train their employees properly and have recognized the importance of controlling these kinds of spills. Incidentally, when a quantified level was set, the spill rate in Wales dropped to one spill in 100 from previous levels.

In committee, the minister would not release the proposed regulations that he says would govern a spill. In fact, when he was asked by another of my colleagues if he might define a spill as 10,000 gallons, he said he might make exceptions such as in the regulations. That is just not good enough. If the minister thinks 100 litres is too big and one litre is about right, but that 10,000 gallons is okay, I think it is clear, in the interests of clarifying this for the minister himself, that we should have a quantifiable level spelled out in this legislation.

Our next motion, No. 51, seeks to amend Bill C-48 by including "authorized" spills under the environmental sections of the bill. Undoubtedly there will be authorized spills, such as the Baffin Island oil spill project, which we have already seen, where studies are being done to assess whether chemical dispersants will be effective in dealing with oil spilled in the Arctic, and also to determine the impact of oil in the Arctic environment. However, to exclude these spills from the environmental sections of Bill C-48 or other bills is wrong.

For example, we all remember the disastrous oil spill test of last year. We assume it was authorized last year when polar bears were used in a test and two of them died as a result of being covered in oil. That is perhaps an acceptable experiment from a biological point of view, but the damage to the ecology even from authorized spills may be serious enough that the liability and other provisions of this legislation must cover them, as well.

Once again, the minister will say it is in the regulations. This is a minor change that will show that the government is, in fact, concerned about the environment. I urge the government members to include authorized spills under the general environmental aspects of Bill C-48.

Motion 52, which we are presently considering, seeks to broaden the provisions of this section by giving advance notice to people who are affected. That is important in light of my earlier comments regarding the need for the public to know about this government's intentions regarding environmental pollution by companies.

Motion 53, which is presented by my colleague from Nunatsiaq broadens the provisions for liability. It is clear that should oil and gas exploration proceed as outlined under Bill C-48, and with the inevitability of a spill, there must be adequate protection of those people whose livelihood will be destroyed or drastically altered. To the fishermen on both coasts and to the aboriginal people in the north who will be affected most dramatically by a speed-up in exploration, this amendment will offer some minimal amount of protection.

There will be massive exploration carried out under this new regime. There is no doubt about that. The people who will bear the brunt must have assurances that their livelihood will be protected. The government's proposals do not go far enough and must be changed.

I hope to deal with Madam Speaker's ruling on Motion 54 at another time; however, let me say that Beauchesne's Section 7 of Citation 773 does not apply because Motion No. 54 does not place any charge upon the public treasury. Motion 56 is

closely related to Motion No. 53. We are proposing this particular amendment because of the need to recognize problems associated with identifying the time when a compensation period can start.

In order to illustrate this I would like to cite a few examples. We are faced here with the possibility of damage to a person's livelihood as the result of an oil spill. For example, an oil spill may occur, go unreported and disappear from view, as did much of the oil in the Gulf of Mexico with the Ixtoc spill where it mixed with the water column. It will then resurface at some time later to foul the fishermen's nets, a boat, a shore, a bird-nesting area, or whatever. Under the present legislation, fishermen or other individuals would have a severely limited opportunity to pursue compensation.

I also want to mention briefly a parallel case. The Canadian Environmental Law Association has presented the Minister of Energy, Mines and Resources with proposed changes to the Nuclear Liability Act. Their purpose is to see changes to the legislation that would enable victims of radiation exposure to claim at a later date. As members know, people who work in the nuclear field may develop cancer which only becomes apparent long after exposure. The limitation period in the Nuclear Liability Act should be changed to allow for compensation claims at a later date. It is under the same principle that I feel Bill C-48 should be changed.

Motion 57, which we have also moved, calls on the government to conduct an inquiry when there has been a spill or an accident caused by an operator who is acting under this legislation. It is clear that in the case of a spill, the minister should order an inquiry. How better to learn and avoid repetition? To be honest, I do not trust any government nor should it be left to a minister's discretion, such as is proposed in Bill C-48. An inquiry must take place.

I sat in committee during almost all the meetings at which Bill C-48 was considered. We heard evidence from a number of environmental groups, and all of them pointed out the serious deficiencies of this bill when it comes to consideration of the environment. The NDP fought in committee to present amendments, and we will continue to fight for the amendments which we have proposed.

Let me conclude by saying that no witnesses appeared before the committee to propose that there be no environmental regime, which is what Bill C-48 contains at present under the existing regime put forward by the Minister of Energy, Mines and Resources.

Some hon. Members: Hear, hear!

Mr. Tom McMillan (Hillsborough): Mr. Speaker, under normal circumstances, one might express pleasure at participating in this debate during the report stage of Bill C-48. It is a most important piece of legislation which will set the rules for all future gas and oil exploration and development on Crown lands. But there can be little pleasure—certainly little pleasure for me as one member—in being associated with what is actually a sham. Sir, I say "sham" with some care and advisedly because the government is only pretending to consider the views of Members of Parliament and the public in connection with Bill C-48. Although true of the bill as a whole, that is especially true of the environmental dimensions, including the seven motions coupled for debate today.

Bill C-48 was devised to accomplish a number of things. Its stated and ostensible purpose—its purpose for public consumption—is to introduce a new oil and gas exploration and development regime for federal lands in the north and offshore areas. The legislation is central certainly to the government's National Energy Program and therefore to its grand design to Canadianize the petroleum industry. The government's hidden agenda, however, is to proclaim the Minister of Energy, Mines and Resources (Mr. Lalonde) as the energy czar for all of Canada, with powers that not only undermine the private sector but also usurp the responsibilities of other cabinet ministers.

Motions Nos. 4, 51, 52, 53, 55, 56 and 57 inaugurate Parliament's consideration of the environmental provisions of Bill C-48 at the report stage. In addition to the seven motions we are debating now, many other motions on the environment will be debated, including ones that I and my colleagues in the Progressive Conservative Party are sponsoring. But probably few of these motions, maybe not even one, stand a ghost of a chance of passing, for the government has steadfastly refused from the beginning to depart from the narrow course it has set for itself. Doubtless the minister will ensure that the trained seals in the Liberal caucus will vote to impose this set of far-reaching rules and regulations for energy development on a land mass greater than all the ten provinces combined. Judging from their supine performance and track record in the standing committee, the same yes-men will neither understand nor care about the profoundly harmful consequences the bill will have for the country as a whole.

• (1750)

A measure of how determined the minister is to get his own way is the fact that not one of the dozens of recommendations made by the Department of Fisheries and Oceans for changes in the bill has been accepted. Concerns expressed by the Department of the Environment have also been ignored, as have those of the government's own independent advisory bodies, for example, the Environmental Advisory Council. The Minister of the Environment (Mr. Roberts) himself was not, to my knowledge, invited to appear as a witness before the Commons Standing Committee on National Resources and Public Works which dealt with the bill, nor have non-government environmental organizations fared any better.

It is bad enough that the Minister of the Environment has been ignored, but so have reputable organizations which made excellent representations at the committee stage. Their views were dismissed out of hand by the government. Is it any wonder then that we in the opposition have had little success in having Bill C-48 changed to reflect sound environmental principles?

Some of the specific environmental concerns expressed about the bill are embodied in the seven motions currently

being debated as a group in the House today, tomorrow and, we hope, Friday and beyond. Other motions not yet before the House, including some of my own, are more fundamental. One in particular, strikes at the heart of what is wrong with the bill from an environmental point of view. I am referring to the amendment proposed by me in committee and now put forward as Motion No. 36 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). The motion would delegate to the Minister of the Environment responsibility for administering the major environmental provisions of the bill. As the legislation stands, the Minister of Energy, Mines and Resources and, to a lesser extent, the Minister of Indian Affairs and Northern Development (Mr. Munro), are delegated that responsibility.

I realize that we are not debating Motion No. 36 today but I want to discuss the seven that we are debating in the context of other motions. Without such an approach I do not think a full understanding would be possible. As the legislation stands, the Minister of Energy, Mines and Resources and, to a lesser extent, the Minister of Indian Affairs and Northern Development have delegated to them the main environmental responsibility under Bill C-48. As my colleague, the hon. member for Skeena (Mr. Fulton) has pointed out, that fact makes a mockery of environmental principles because those two ministers have the strongest vested interest in energy development. They should thus be the last ones asked to protect the environment from the very activities they themselves have a mandate to promote. The problem was recognized in the 1970 throne speech of a government preceding the existing one. In part, that throne speech reads:

> There is an inherent conflict of interest . . . between those who are seeking exploitation of non-renewable resources and those who are charged with the responsibility of protecting the environment.

Bill C-48 violates the principle that proponent departments in the energy field should not be the custodians of the environment in the face of activities in which they have a direct interest. Otherwise, it would be like hiring the town arsonist to be fire chief.

My comments apply especially to Clause 49, which we are seeking to amend this session. It would establish a multimillion-dollar environmental studies fund to be controlled not by the Minister of the Environment but, rather, by the Minister of Energy, for south of 60 and by the Minister of Northern Development for north of 60. The fund is supposed to finance studies of a broad, baseline nature so as to ensure that resource activities on Crown lands respect both the environment and the lifestyle of the native peoples and other residents in the areas affected. But because ministers of proponent departments, namely the two I have mentioned, will administer the fund rather than the Minister of the Environment—who is by definition a disinterested party, somebody without a vested interest in the developments which may well threaten the environment—fishermen, native peoples and coastal residents, will have to go begging, cap in hand, to the minister of energy and to the minister of northern affairs for environmental studies, to be carried out. How can anyone be confident that either minister will respond objectively to requests for environmental studies when the resultant findings might document the wisdom of halting pet projects of those two ministers?

In my view it is essential that the minister responsible for the protection of the environment have an arm's length relationship to projects that might threaten the environment. Bill C-48 violates that principle in spades.

During the committee stage of Bill C-48, the minister of energy, his officials, and his parliamentary secretary, whom I see on the other side of the chamber today, stressed that co-ordinating mechanisms would be established to ensure that the Department of the Environment would be consulted on all environmental matters related to resource development on Crown lands. But I ask again, why has the Minister of the Environment been given the secondary role in what is essentially an environmental area? The government has the cart before the horse. In this context, it is the minister of energy who should be consulted by the Minister of the Environment, not the other way around.

We are taking enormous risks with the future of Canada if we do not build proper environmental safeguards into any regime for resource development in the frontier areas of our great dominion. When I say that, I am referring to the Arctic and the maritime offshore. The Arctic alone covers some 40 per cent of the territory of our entire country. Although vast, it is the most environmentally vulnerable of all regions. Because of the frigid climate, a major oil spill or well-site blow-out in the Arctic could spell disaster for the delicate ecosystem and for the traditional lifestyle of the native peoples who depend on it for survival. We cannot afford the luxury of waiting until after the damage is done to take action because, according to experts, the damage may well be irreversible.

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

The Acting Speaker (Mr. Blaker): It being six o'clock, pursuant to Standing Order 2(1) I do now leave the chair until two o'clock tomorrow afternoon.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

(*See p. 11745*)

P.C. 1981-2707

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 25 September, 1981

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his office, the next senior minister who is in Ottawa and is able to perform the functions of the Office of Prime Minister, be authorized to act for the Prime Minister;
2. that in the absence from Ottawa of a minister whose name is set out in Column II of an item of the Schedule to this Minute, or in the event of that minister being unable to perform the functions of his office, the minister whose name is set out in Column III of the item be authorized to act for the minister named in Column II in respect of the office set out in Column I of the item;
3. that in the absence from Ottawa of the ministers named in Columns II and III of an item of the Schedule to this Minute, or in the event of both of those ministers being unable to perform the functions of their office, the minister whose name is set out in Column IV of the item be authorized to act for the minister named in Column II in respect of the office set out in Column I of the item;
4. that in the absence from Ottawa of the ministers named in Columns II, III and IV of an item of the Schedule to this Minute, or in the event of all those ministers being unable to perform the functions of their office, the Prime Minister or, if the Prime Minister is absent from Ottawa or unable to perform the functions of his office, the next senior minister who is in Ottawa be authorized to act for the minister named in Column II in respect of the office set out in Column I of the item;
5. that where an office set in Column I of an item of the Schedule to this Minute is vacant, the minister whose name is set out in Column III of that item be authorized to act in the office of the minister whose office is set out in Column I of that item; and
6. that where an office set out in Column I of an item of the Schedule to this Minute is vacant, in the absence from Ottawa of the minister whose name is set out in Column III of that item, or in the event of that minister being unable to perform the functions of the office set out in Column I of that item, the minister whose name is set out in Column IV of that item be authorized to act in the office of the minister whose office is set out in Column I of that item.

LIST OF ACTING MINISTERS

	COLUMN I	COLUMN II	COLUMN III	COLUMN IV
	OFFICE	NAME	ACTING MINISTER	SECOND ACTING MINISTER
1.	Agriculture	Mr. E. Whelan	Mr. J.-L. Pepin	Mr. L. Axworthy
2.	Communications	Mr. F. Fox	Mr. J. Roberts	Mr. H. Gray
3a.	Consumer and Corporate Affairs	Mr. A. Ouellet	Mr. C. Lapointe	Mr. D. Johnston
3b.	Post Office	Mr. A. Ouellet	Mr. C. Lapointe	Mr. D. Johnston
4.	Economic Development	Mr. H. A. Olson	Mr. M. Lalonde	Mr. H. Gray
5.	Employment and Immigration	Mr. L. Axworthy	Mr. P. De Bané	Mr. C. Caccia
6.	Energy, Mines and Resources	Mr. M. Lalonde	Mrs. J. Erola	Mr. J.-L. Pepin
7.	External Affairs	Mr. M. MacGuigan	Mr. G. Lamontagne	Mr. L. Axworthy
8.	Finance	Mr. A. MacEachen	Mr. P. Bussières	Mr. D. Johnston
9.	Fisheries and Oceans	Mr. R. LeBlanc	Mr. J. Roberts	Mr. W. Rompkey

LIST OF ACTING MINISTERS

COLUMN I	COLUMN II	COLUMN III	COLUMN IV
OFFICE	NAME	ACTING MINISTER	SECOND ACTING MINISTER
10. Indian Affairs and Northern Development	Mr. J. Munro	Miss M. Bégin	Mr. M. Lalonde
11. Industry, Trade and Commerce	Mr. H. Gray	Mr. C. Lapointe	Mr. E. Lumley
12a. Justice and Attorney General	Mr. J. Chrétien	Mr. R. Kaplan	Mr. A. Ouellet
12b. Social Development	Mr. J. Chrétien	Mr. J. S. Fleming	Miss M. Bégin
13. Labour	Mr. C. Caccia	Mr. L. Axworthy	Mr. F. Fox
14. National Defence	Mr. G. Lamontagne	Mr. M. MacGuigan	Mr. W. B. Campbell
15. National Health and Welfare	Miss M. Bégin	Mr. J. Chrétien	Mr. W. B. Campbell
16. National Revenue	Mr. W. Rompkey	Mr. J.-J. Blais	Mr. A. MacEachen
17. Privy Council	Mr. Y. Pinard	Mr. W. Rompkey	Mr. R. Kaplan
18. Public Works	Mr. P. Cosgrove	Mr. Y. Pinard	Mr. J.-J. Blais
19. Regional Economic Expansion	Mr. P. De Bané	Mr. F. Fox	Mr. P. Cosgrove
20a. Science and Technology	Mr. J. Roberts	Mr. R. LeBlanc	Mr. J. Munro
20b. Environment	Mr. J. Roberts	Mr. R. LeBlanc	Mr. J. Munro
21. Secretary of State	Mr. G. Regan	Mr. J. S. Fleming	Mr. F. Fox
22. Solicitor General	Mr. R. Kaplan	Mr. J. Chrétien	Mr. Y. Pinard
23. Supply and Services	Mr. J.-J. Blais	Mr. P. Cosgrove	Mr. P. De Bané
24. Transport	Mr. J.-L. Pepin	Mr. L. Axworthy	Mr. E. Whelan
25. Treasury Board	Mr. D. Johnston	Mr. A. MacEachen	Mr. A. Ouellet
26. Veterans Affairs	Mr. W. B. Campbell	Mr. G. Lamontagne	Miss M. Bégin

P.C. 1981-2679

24 September, 1981

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Prime Minister, pursuant to the Parliamentary Secretaries Act, is pleased hereby to appoint effective October 1, 1981 for a period terminating effective February 28, 1982, each of the following Members of the House of Commons to be Parliamentary Secretary to the Minister set out opposite his or her name:

Name of Member of the House of Commons		Minister
John Evans	to	Deputy Prime Minister and Minister of Finance
Robert Bockstael	to	Minister of Transport
Gérald Laniel	to	Minister of Industry, Trade and Commerce
Marcel Ostiguy	to	Minister of Agriculture
Roy MacLaren	to	Minister of Energy, Mines and Resources
Roger Simmons	to	Minister of State for Science and Technology and Minister of the Environment
Ursula Appolloni	to	Minister of National Defence
Russell MacLellan	to	Minister of Regional Economic Expansion
Céline Hervieux-Payette	to	Solicitor General

Pierre Deniger	to	Minister of State (Multiculturalism)
Ralph Ferguson	to	Minister of State (Small Businesses)
Raymond Savard	to	Minister of Public Works
John Campbell	to	Minister of Veterans Affairs

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Prime Minister, pursuant to the Parliamentary Secretaries Act, is further pleased hereby to appoint effective October 1, 1981 for a period terminating effective September 30, 1982, each of the following Members of the House of Commons to be Parliamentary Secretary to the Minister set out opposite his or her name:

Jim Peterson	to	Minister of Justice and Attorney General of Canada and Minister of State for Social Development
Ray Chénier	to	Minister of Indian Affairs and Northern Development
Gary McCauley	to	Minister of Consumer and Corporate Affairs and Postmaster General
Brian Tobin	to	Minister of Fisheries and Oceans
Doug Frith	to	Minister of National Health and Welfare
Jack Masters	to	Minister of Communications
Jean Lapierre	to	Secretary of State of Canada
Ron Irwin	to	Secretary of State for External Affairs
Claude Tessier	to	Minister of National Revenue
David Smith	to	President of the Queen's Privy Council for Canada
Norm Kelly	to	President of the Treasury Board
Rémi Bujold	to	Minister of Employment and Immigration
Thérèse Killens	to	Minister of State (Mines)
Antonio Yanakis	to	Minister of Labour

October 7, 1981
le 7 octobre 1981

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Alternates	Mr. J.-J. Blais 1st Alternate Mr. P. Cosgrove Mr. C. Lapointe Mr. P. De Bané Sen. J. Austin Mr. B. Campbell

WESTERN AFFAIRS

Chairman	Mr. L. Axworthy
Members	Mr. J.-L. Pepin Mr. J. C. Munro Sen. H. A. Olson Mr. H. E. Gray Mr. E. F. Whelan Mr. M. Lalonde Sen. R. J. Perrault Mr. R. LeBlanc Mr. J. Roberts Mr. P. De Bané Sen. H. R. Argue Mr. J. S. Fleming Sen. J. Austin

HOUSE OF COMMONS

Thursday, October 15, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NORTH-SOUTH RELATIONS

SUMMIT MEETING IN MEXICO—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, tomorrow, October 16, the citizens and governments of more than 100 nations, including Canada, will observe the first World Food Day, which will serve as a rallying point in the search for solutions to end world hunger and poverty. The natural right of all human beings to food was backed by the report of the Parliamentary Task Force on North-South Relations, which placed particular emphasis on food and agricultural production. The report was supported by all parties in the House, and its main thrusts were endorsed by the government.

I therefore move, seconded by the hon. member for Labelle (Mr. Dupras):

That this House affirms its desire that practical steps be discussed by the heads of state or government of 22 countries who will meet next week for the historic North-South summit in Mexico so that early progress can be made in negotiating the economic issues now dividing North from South and, further, that the text of this motion be sent to the governments of all 22 states.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. There is a desperate situation in Austrian refugee camps, where over 20,000 Polish refugees are waiting to be relocated. Therefore I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the Canadian government act quickly to ensure that those Polish citizens seeking refugee status in Canada be accepted as conventional refugees; that provisions be made within the refugee quota to allow Canada to accept more Polish refugees this year than presently announced by the minister; and tha the Canadian Polish Congress be commended for, and aided in, its efforts to assist needy Polish entrants to this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

THE MINISTER OF FINANCE

MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too have a motion under Standing Order 43. In view of the Prime Minister's (Mr. Trudeau) recent statement that the government is willing to provide financial help only to those who are in dire straits, and in view of the request by the Minister of Finance (Mr. MacEachen) to increase the length of the runway at his local airport in Port Hawkesbury at a cost of millions of taxpayers' dollars so that he can land his JetStar, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That the Prime Minister declare cabinet members with short local runways not to be considered in dire straits, and further that the government also reject the proposal to buy the Minister of Finance a smaller jet as a more economical solution to his terrible travel predicament.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

GOVERNMENT'S COMMITMENTS TO NATIVE PEOPLE—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas high interest rates, increased cost of living, and unemployment are particularly devastating to the native people of Canada, and whereas the government has already made cuts to programs for native people, such as the native Outreach Program, and further cuts to native housing, winter works, health care, education and training programs are evident in a misguided attempt by this government to economize in the very sector of

the Canadian population that requires the most intensive assistance, the native people of Canada, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the government commit to this House that the budget for Indian Affairs and Northern Development will not be cut and that the government renew its pledge to fulfil its commitments to the native people of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Canadian veterans, those men and women who fought for this country, have to wait an average of 46 months to have their pension applications processed, and many will wait over five years. The War Amputations Association has been forced to take legal action against the Canadian Pension Commission to overcome the bureaucratic blockade. This disgraceful dilemma compels me to move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the new Minister of Veterans Affairs be directed by this House to introduce corrective legislation immediately, using the 90-day United States process as an example, since many Canadian veterans are dying during the five-year processing period.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

DEMAND FOR LOWERING OF INTEREST RATES—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. As the Prime Minister (Mr. Trudeau) said yesterday in the House of Commons, small businesses, along with farmers, fishermen and home owners, are indeed suffering as a result of his government's callous and insensitive monetary policy. In an effort to rectify the situation, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House urge the Minister of Finance to direct Governor Bouey to lower interest rates to reflect the Canadian level of inflation immediately, extend the life of the Small Businesses Loans Act, increase tax credits for research and development through to production, and increase small business deduction limits to $200,000 annually and to a $1 million lifetime limit.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

TRANSPORTATION

PROPOSED ADOPTION OF A TYPICALLY CANADIAN LOGO TO IDENTIFY LRC TRAIN—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

I had the opportunity, with my colleagues on the transport committee, to travel on the new LRC train made in Canada by Canadians. As that train is not sufficiently identified as being made in Canada, and as we must promote that product of Canadian technology, just as Japan and France do their own rapid trains, I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House invite VIA Rail and the manufacturer to adopt a typically Canadian logo to identify the LRC train, namely, a maple leaf that would stand out both outside and inside the LRC train.

Madam Speaker: Under Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

POST OFFICE

CALL FOR IMPROVEMENT IN SERVICE—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, since the government plans to increase postal rates by almost 100 per cent while service is deteriorating to the point where some deliveries travel at the rate of one mile a day, and since the first priority of the Post Office should be to restore some semblance of efficiency and confidence in its operations rather than forcing Canadians to pay exorbitant charges for first-class postage rates when they are receiving third-class service, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That the Liberal government adopt as its first priority quality of service and postpone any rate increases until such time as the quality of service has been brought to respectability.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to underscore a report that the Liberal caucus has, without equivocation, endorsed the policies of the Prime Minister (Mr. Trudeau). If the members of the Liberal caucus are in full possession of the facts—and their faculties—they would be wise to heed the Prime Minister's advice to the press in Fiji when he said, "Don't follow me boys; I'm headed for a topless bar." Therefore, Madam Speaker, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That Canadians, including the Liberal caucus, do not continue to follow the Prime Minister for, if we do, we shall all be shirtless and, hence, topless.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REASONS FOR LEVEL OF CANADIAN INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. This past summer many home owners, many farmers and small-business men were literally kicked in the teeth by the record high interest rates we have been seeing in this country. Many of them have asked me a simple question which I would like to put to the Minister of Finance now. Why is it Canada must have interest rates that are 3 to 4 percentage points higher than comparable rates in the United States?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member he ought to be encouraged by the development today which saw the bank rate drop by 64 basis points, which means that the bank rate has dropped almost 3 percentage points since its peak in August. I believe that is a more satisfying answer than an erudite explanation to a question which ought to be put on the Order Paper.

Some hon. Members: Oh, oh!

An hon. Member: You have got to be kidding.

Mr. Wilson: Madam Speaker, the arrogance of that answer to people who have been suffering this summer, and are going to be suffering for a long time under the policies of this government, is just incredible.

Some hon. Members: Hear, hear!

GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): May I make some suggestions to the minister and ask him to comment on three of them. Is the reason because government spending has been running faster than the rate of growth in the economy, by almost 20 per cent for the current fiscal year? Is it because of the weak Canadian dollar, weak because of the policies that have been followed by the government? Is it because the government continues to pursue a policy of high government borrowing, which puts pressure on interest rates for all Canadians? Would the minister comment on those three possibilities?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has been appointed as finance critic for his party. Surely, when citizens ask him questions, he should be able to answer them without coming to the House of Commons to seek illumination. I am sure the hon. member for St. John's West did not have to come back to get answers to questions which he was asked when he was in that post. I would suggest he follow his procedure.

Mr. Wilson: Madam Speaker, when I was appointed finance critic, I had hoped that by putting straight questions, legitimate questions, to the Minister of Finance, I would get answers. I am not asking my colleague here to give me the answers.

Some hon. Members: Hear, hear!

* * *

● (1420)

CANADA SAVINGS BONDS

EFFECT OF INTEREST RATE

Hon. Michael Wilson (Etobicoke Centre): Might I ask one very simple, basic question? Many Canadians know that the high interest rate on Canada Savings Bonds of 19.5 per cent has been forcing banks, trust companies and caisses populaires to hold their savings rate up and thus keep their mortgage rate as high as it is today. Is the minister considering reducing the level of the savings bond rate so that the whole level of interest rates can come down? Savers are getting a bonanza, but mortgage holders are getting killed.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that is an improvement in the questioning.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Now try the answer.

Mr. MacEachen: It is a question directed to a matter which is under the administration of the Canadian Minister of Finance, and I am glad to answer it. The questions of interest rates in the United States and monetary policy in the United States, I would draw to the attention of the hon. member are not under my administration.

Mr. Crosbie: Thank God for that.

Mr. MacEachen: When the rate was set for Canada Savings Bonds, at that particular time it was necessary to set the rate in order to compete with other financial instruments. It was set at 19.5 per cent.

An hon. Member: Why?

Mr. MacEachen: Since the setting of the rate, of course I have set a limit on the amount of purchases by any individual. The concern that the hon. member has raised today was raised in earlier meetings with me by members of financial institutions because they, too, expressed the fear that this particular rate might have the effect of not permitting mortgage rates to drop. The fact of the matter is that, since the limitation was placed upon the individual purchase of Canada Savings Bonds, mortgage rates have dropped. I would hope, as a result of today's action by the Bank of Canada, that the chartered banks will find it possible to reduce their prime rates.

MINISTER'S POSITION RESPECTING CHARTERED BANKS

Hon. Bill Jarvis (Perth): Madam Speaker, my supplementary question is directed to the same minister, who certainly fits the pattern of his Liberal predecessors. Every time there is a period of economic stress, someone else is to blame—the Americans, international conditions, the weather, and I even remember that anchovies off California at one time was the problem. Yesterday the Minister of Finance blamed the Canadian banks. He may be right; he may be wrong.

Some hon. Members: Oh, oh!

Mr. Jarvis: But, Madam Speaker, there is one irrefutable fact. It is the Minister of Finance and his colleagues who were elected to manage the Canadian economy, not the chartered banks of Canada.

Some hon. Members: Hear, hear!

Mr. Jarvis: Yesterday the minister said that he wanted the banks to search more diligently for a scheme which would cause them "to bleed a bit." When he said that, was it his attitude that it is up to those groups he accuses, rightly or wrongly, of ripping off home owners, small-business men, farmers and fishermen, to search for the answer to redress this rip-off? Is that the abdication of responsibility that he is now putting forward in the House of Commons?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, that is not the point of the answer. If the hon. member recalls, yesterday one of his colleagues brought forward a suggestion which had been made by the Bank of Montreal, namely, that that institution would extend the application of the Small Business Development Bond to unincorporated farmers, with the expectation that any costs which would flow from that extension would be picked up by the taxpayers of Canada. It is my view that in these circumstances it is fair to suggest to the financial institutions, particularly to the banks which have received very important powers from the Parliament of Canada, that they make a response in their capacity to meet the current challenge as a result of high interest rates. That is the point, and I think it would receive a very strong response among Canadians who expect the banks in these circumstances to do their part.

Some hon. Members: Hear, hear!

• (1425)

ROLE OF BANKS—MINISTER'S VIEW

Hon. Bill Jarvis (Perth): Madam Speaker, there is someone more powerful than the banks in terms of economic policy. The power lies within the Minister of Finance; the legislative power and persuasive power. He knows it full well.

I want to ask him, plainly, if it is his view that the banks are getting fat off the backs of home owners, small-business men, farmers and fishermen? Is that his view? If that is true, does he intend to use his power and discharge his responsibility to redress this wrong? He can impose a scheme to redress that wrong and relieve those Canadians, if he wants to exercise that power.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not know why the hon. member is persisting in his efforts to take the banks off the hook in this particular circumstance. He does not know—

Mr. Stevens: You are on the hook.

An hon. Member: You are the hooker.

Mr. MacEachen: He does not know whether the banks are behaving responsibly or not. He does not know whether there is a rip-off or not. I wonder what the Conservative Party knows about economic policy in this country at the present time.

An hon. Member: What do you know?

Mr. MacEachen: I know there is a role for the financial institutions in the present crisis. They have to take their responsibilities; they have to be fair; they have to be compassionate, and they have to make special arrangements to meet

the needs of their customers. That is what I have asked them to do, and I expect them to deliver on that request.

Mr. Clark: What a fraud.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF THE HON. TIEMTARBOUM, MINISTER OF EXTERNAL AFFAIRS AND CO-OPERATOR, AND OF THE HON. SANFO, MINISTER OF ECONOMY AND PLANNING OF UPPER VOLTA

Madam Speaker: I should like to draw the attention of the House to the presence in the gallery of His Excellency Mr. Tiemtarboum, Minister of External Affairs and Co-operation of Upper Volta, and His Excellency Mr. Sanfo, Minister of Economy and Planning of the same country.

Some hon. Members: Hear, hear!

* * *

[*English*]

HOUSING

ACCESS TO DEPARTMENTAL DOCUMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, I would like to begin by saying to the Minister of Finance that the hook is big enough both for the government and the banks.

An hon. Member: Right on.

Mr. Broadbent: Madam Speaker, I should like to put a question to the minister who is responsible, allegedly, for housing. I asked him yesterday if he would produce an internal document for all Members of Parliament that clearly outlined the housing crisis in Canada. At that time he refused to do so. I have since confirmed that at least two Liberal backbenchers have been given this report and, possibly, many more members of the Liberal Party. Will the minister provide, as a matter of right, to every Member of Parliament and, beyond that, to all people of Canada, access to this document instead of restricting it to certain members of his own party?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I should like to comment on the phrase that the hon. Leader of the New Democratic Party has used twice in the opening of this resumed Parliament, namely, "allegedly responsible for housing". I am glad he recognizes that I, together with ten ministers of the provinces, share in the provision of support for housing across this country. I am glad that he recognizes and sees that shared responsibility.

Mr. Clark: What are you doing?

Mr. Cosgrove: I have to repeat my answer to the hon. member of yesterday. Yes, I would be happy to provide background papers that are used by the government in preparation of policy and in preparation of the budget, in accordance with the rules of this government and the conventions of this parliament.

FUTURE OF HOME OWNERS AND RENTERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, according to the conventions of the Liberal Party, that means that we will never see the document. That is why I asked the question. I should like to ask the minister if he will confirm that, in the same document, it is shown that not only home owners are faced with this crisis but that during 1982 more than three million renters in our country will see their rents go up by almost 100 per cent, to an average of $750 per month? Will he confirm that that is also in the document? I also repeat, given the alarming situation which affects home owners and renters all across Canada, will he produce that document for all Members of Parliament?

• (1430)

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, again I would have to indicate to the hon. Leader of the New Democratic Party that, as the Prime Minister indicated yesterday, I cannot discuss the budget before it is presented, or anything that has to do with it.

Some hon. Members: Oh, oh!

Mr. Cosgrove: The document to which I referred yesterday, which I had in my mind—I do not know which document the hon. member has in his mind—is work that is prepared for me to give advice, as the minister, to the Minister of Finance in preparation for the budget. Therefore I cannot discuss that document before the budget is presented.

On the matter of alarm, I would say that the headline in *The Toronto Sun* this morning—

Some hon. Members: Oh, oh!

Mr. Cosgrove: —saying that 85,000 Canadians will lose their homes before Christmas, has to be the result of the irresponsible statement of the Leader of the New Democratic Party yesterday.

Some hon. Members: Oh, oh!

Mr. Cosgrove: Further, I would have to say that this government has indicated it will not permit that. It has indicated that in the budget it will protect those people. That has to be the height of irresponsibility by the Leader of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, it is precisely because we want to get the correct figure that we have demanded the document which the minister is refusing to provide to the

people of Canada. That is the important issue, and I intend to raise this matter on a question of privilege at three o'clock, because certain hon. members sitting on the other side of the House have that document. But I would like to go to the Minister of Finance—

Some hon. Members: Oh, oh!

Mr. Broadbent: I will. At three o'clock, I will name them. I would now like to go to the Minister of Finance.

* * *

BANKS AND BANKING

REQUEST FOR LEGISLATION TO FORCE BANKS TO REDUCE MORTGAGE INTEREST RATES

Mr. Edward Broadbent (Oshawa): Considering that in recent weeks the Minister of Agriculture has been complaining about the banks, that even the minister allegedly responsible for housing has been complaining about the banks, and that yesterday the Minister of Finance said the banks should bleed a little, will the government, at long last, quit whining about the banks and bring in legislation which will force the banks to put up mortgage money which the average Canadian can afford?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when a decision is reached to bring in any such legislation, I assure the hon. member that he will be among the very first to know.

Some hon. Members: Oh, oh!

* * *

THE ECONOMY

REQUEST FOR PROGRAMS TO REDUCE UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): My question, Madam Speaker, is directed to the Prime Minister. On April 24 last year, the Prime Minister made a commitment. He said:

> We will not reduce the deficit at the expense of creating more unemployment.

On January 10 last year, he said:

> We must endorse the right of every Canadian to have a job.

Eight hundred and ninety-one thousand Canadians were actually out of a job at the beginning of September. These are not aberrations. They are not sampling errors, as the Minister of Finance claimed yesterday. They are flesh and blood human beings in dire straits because they are out of jobs.

In Newfoundland, almost one fifth of the whole labour force—17.8 per cent—are out of jobs. Half of all of the fish plants in Newfoundland are closed and the people are out of work.

Some hon. Members: Order!

Mr. Crosbie: Order, yes! What we want is some order and justice, not just words.

Some hon. Members: Hear, hear!

Mr. Crosbie: My question to the Prime Minister is this: what special programs will he now institute? Never mind waiting for this mythical budget. What will he now announce? What can he announce in the next few days to put some of these people back to work, to carry out those promises that the Canadian people trusted him to carry out when he made them last January?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am rather pleased that the hon. member is drawing attention to the commitment I made last January, and some months before that, that we would do our best to create jobs while at the same time fighting employment, because—

Some hon. Members: Oh, oh!

Mr. Clark: You've wrestled employment to the ground, Pierre!

Mr. Trudeau: Because I happen to—

Mr. Baker (Nepean-Carleton): You've wrestled the country to the ground!

Mr. Trudeau: I do not know what hon. members are getting excited about over there, Madam Speaker. They must realize that they have a whole session ahead of them; and if they start shouting on the first day, what will they do for an encore next month and the months after that? It is not watching them that is bothering me; it is listening to them, and they are shouting too loud.

Mr. Baker (Nepean-Carleton): Try answering the question!

Mr. Trudeau: So, in terms of job creation—

Madam Speaker: Order!

Mr. Hnatyshyn: Prime Minister!

Mr. Trudeau: In terms of job creation, Madam Speaker—

Mr. Clark: Back to Fiji, Pierre.

Mr. Trudeau: —during the year ending in August, 1981—that is the 12 months finishing last August—372,000 new jobs were created, and that is twice as many as the 200,000—

An hon. Member: Where?

Mr. Trudeau: —in Canada—which were created in the 12 months before that. Internationally, Canada has continued to outpace every other major industrialized country in the creation of new jobs.

Mr. Nielsen: In interest rates, too.

Mr. Trudeau: If one compares the first quarter of 1980 to the first quarter of 1981, the growth in employment in Canada has gone up 3.6 per cent. The next fastest was Italy, at 1.9 per cent. The next was Japan, at one per cent. In the United States, it was zero. In Germany, it was zero. In France, it was minus 2 per cent; and in the United Kingdom, it was minus 5 per cent.

Therefore, it seems to me that is the answer to the hon. member for St. John's West, that indeed we have created jobs at a faster rate than any of the other major industrialized countries.

Some hon. Members: Hear, hear!

JANUARY, 1980, STATEMENT BY PRIME MINISTER

Hon. John C. Crosbie (St. John's West): We can see, from the Prime Minister's weak answer, how many trips he has been on to get those figures.

Mr. Clark: That's right.

Some hon. Members: Hear, hear!

Mr. Crosbie: What we are excited about is that while the Prime Minister is on more roads than Bob Hope and Bing Crosby, 891,000 people are unemployed. In Newfoundland, 4,500 of 9,000 fish plant workers; 650 trawler men—over half the trawler fleet force—are unemployed. Ten thousand fishermen are unemployed; 17.8 per cent of our people are unemployed; yet the Prime Minister does nothing except travel around the world with his platitudes. That is what we are excited about.

Some hon. Members: Hear, hear!

Madam Speaker: Order! I would appreciate it if the hon. member would put his question.

Mr. Crosbie: Yes. My question to the Prime Minister is this: what did the Prime Minister mean when he said, on January 10, 1980, "We must endorse the right of every Canadian to have a job?" Was that just a gigantic bluff, or did he mean it? If he means it, what is he going to do about it?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member shouted less and listened more, he would know what we have done about it.

Mr. Crosbie: What?

Mr. Trudeau: We have created jobs at a rate faster than any other industrialized society.

Mr. Baker (Nepean-Carleton): That's great comfort on UIC.

Mr. Clark: They all work for Petro-Canada, don't they, Marc?

Mr. Trudeau: I understand that the hon. member is now the critic on foreign affairs.

Mr. Baker (Nepean-Carleton): You are the critic on foreign travel.

Mr. Crosbie: And I've got a lot to criticize.

Mr. Trudeau: I am sure the hon. member has a lot to criticize, but why does he begin with critizing the foreign travels of the Prime Minister to the Commonwealth, or to Korea—

Mr. Crosbie: They produce nothing.

Mr. Trudeau: Are these trips that he would advise against, as a critic?

Mr. Crosbie: I would advise you to look after us first.

Mr. Trudeau: Madam Speaker, the hon. member shouts that he would advise that we look after him first. That is the job of his leader; that is not my job.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member raises the question of Newfoundland. He should know that we have assigned special employment funds for Newfoundland.

Mr. Baker (Nepean-Carleton): You gave Rompkey a job.

Mr. Crosbie: Two million dollars.

Mr. Trudeau: But if the hon. member wants to do some shouting, maybe he would shout at Premier Peckford, who is the premier of that province, and I would ask him what he is doing to match our special help for the fishermen in Newfoundland.

* * *

[*Translation*]

HOUSING

HIGH INTEREST RATES—INQUIRY WHETHER MEASURES WILL BE TAKEN TO HELP RENTERS

Hon. Roch La Salle (Joliette): Madam Speaker, I shall direct my question to the minister responsible for housing. I was very happy to hear him say earlier, contrary to what his leader said yesterday, that he would defend and protect home owners, and I conclude from this that, contrary to what the Prime Minister suggested yesterday, the minister intends to do something. In the document mentioned earlier it is also recognized that renters—and speaking of renters, the Prime Minister is well aware that there are more renters than home owners in Quebec—would have even greater problems than home owners because of current interest rates. Can the Prime Minister at least tell us whether he will introduce measures to help not only home owners, but renters as well?

• (1440)

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, yesterday when I spoke both inside and outside the House on the government's commitment in the Speech from the Throne to assist people who need help most, I was not contradicting either the leader of the party, the party, or anyone else in the party. I was reflecting and repeating the commitment of the government in its Speech from the Throne, the commitment of the Minister of Finance and the commitment of the Prime Minister made earlier in September that we will indeed carry out the commitment to assist home owners as we undertook to do on those occasions.

Mr. Epp: How?

Mr. Cosgrove: In answer to the inquiry about assistance to renters, yes, Madam Speaker, we are aware of the tight rental markets and the difficulties of young people in tight rental markets. It is for that reasons we increased the amount of social housing commitments across the country last year.

It was a commitment on the part of this government newly coming into office which contradicted the advice given to the hon. member's leader in the last government, which was to totally wipe out all of the social programs, under the Matthews report. That is what we have done. I have indicated that, by looking at our record, hon. members will see that we will continue that commitment.

[*Translation*]

Mr. La Salle: Madam Speaker, I have a supplementary. Since it is impossible to obtain a valid and encouraging answer for all Canadians, I shall direct my question to the Right Hon. Prime Minister. I repeat that there is a much greater proportion of renters than of home owners in Quebec. Since I was asked earlier what we had done for renters, I must point out that I remember quite well, and the Prime Minister will also remember, we had suggested a program for home owners and that this program was opposed because it provided nothing for renters. In these circumstances, since nothing has been done either for renters or for home owners, could the Prime Minister, in his desire to serve people that he knows quite well are now having problems, show some compassion and assure them that some corrective action will be taken in the short term since the Prime Minister and all his colleagues from Quebec are well aware that these people are suffering hardship and expect an answer from the capital? This time, I hope that I have the right capital, Mr. Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I pointed out yesterday in an answer to the hon. member that I agree that many people in Canada, including home owners, renters, and other groups of people, such as farmers, and so on, were suffering from the results of inflation. This is why I told the hon. member, as I had already told his leader, that we intended to address this problem in our budget in an effort to alleviate the hardships of those who are hit the hardest. I must also point out to the hon. member, who knows the Constitution very well and who keeps a jealous eye on the powers of jurisdiction of the province of Quebec, that rent control comes under provincial jurisdiction and that, if he believes that renters are being badly treated, he should appeal to those responsible for rent control in Quebec.

* * *

[*English*]

INDUSTRY

REQUEST FOR MINISTER'S RESIGNATION

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In light of the fact that the minister's industrial strategy has been decisively rejected by his government; in light of the fact that we now have over 1,000 more lay-offs at Chrysler in Windsor, lay-offs at de Havilland, and mine closures in Newfoundland, the collapse of businesses across the country because of the government's high interest rate policy and because of the collapse of consumer demand, will the minister now reconsider and keep the one promise that I am sure overjoyed the Canadian population, and that is that he would resign if interest rates rose above 14 per cent?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it is obvious that my hon. friend will be gone from this place a long time before I will.

Some hon. Members: Oh, oh!

Mr. Crosbie: Another broken promise.

Mr. Rae: Madam Speaker, I am not sure the minister's support is the kind I was anticipating, but my supplementary question is to another one of the cabinet's emasculated rebels, the Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Rose: A steer.

Mr. Rae: He is one of the steers in the cabinet.

Some hon. Members: Oh, oh!

* * *

AGRICULTURE

STATEMENTS BY MINISTER RESPECTING POSSIBLE RESIGNATION

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I direct my supplementary question to the Minister of Agriculture. The minister delivered a manifesto at Nukko Lake in June, in which he stated:

Some serious work is being done about changing the banking system in this country—

This statement was later denied totally by the Minister of Finance. The Minister of Agriculture delivered another manifesto in Port Elgin just recently, in which he stated:

I won't stay on as your minister of agriculture if something isn't done in the next few short weeks to bring relief to farmers, that is practical and workable.

Could the minister tell us if this threat of resignation is to be taken in the same category as that coming from the emasculated rebel from Windsor West, or is this in another category? Can we expect the minister to resign if something is not done immediately?

An hon. Member: When Gene?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): That cheering is the kiss of death.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member will have to wait.

Some hon. Members: Oh, oh!

Mr. Nielsen: And so will the farmers.

* * *

[*Translation*]

ARTS

PROGRESS REPORT ON COPYRIGHT ISSUE—MEASURES TO HELP CREATIVE ARTISTS

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, my question is directed to the Minister of Communications. The minister has undoubtedly noticed in the galleries the presence of prestigious representatives of the stage. Considering that a few months ago the minister issued a release on copyright, could he give us a few details on the progress of that file and could he reassure the artistic community by telling them whether the government is contemplating the adoption of measures to remove the financial difficulties which many people are facing, particularly the creative artists who are at the beginning of their careers?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I thank the hon. member for his question. We are all aware of the great interest he has in the cultural and artistic world. Just as he did, I noticed the presence in our galleries of two of our own artistes, Mrs. Diane Juster and Mrs. Denise Filiatrault, whose presence here in the Canadian Parliament I am pleased to note.

As to the gist of the question, Madam Speaker, I will say that in my opinion one of the most significant legislative measures we could consider by way of general legislation to help the artistic, cultural, and creative community in general, would be a revamping of the Copyright Act. My colleague, the Minister of Consumer and Corporate Affairs, and myself have decided to go ahead and to give the very first priority to such a bill. I have actually announced the setting up of a committee within my department which includes Mr. John Hylton of Toronto, Mr. André Raynaud, a well known Montreal economist, and Mr. Claude Brunet, a lawyer who is an expert in that field. I have every confidence, Madam Speaker, that with the co-operation of my colleague, the Minister of Consumer and Corporate Affairs, we will be able to bring forth a bill within approximately 12 months at the most.

As to the second part of the question asked by my colleague, concerning fiscal measures aimed at helping the artistic and cultural sector—

Some hon. Members: Answer the question!

Some hon. Members: Order!

An hon. Member: They are not interested!

Mr. Fox: —a suggestion which is extremely challenging, that is obvious, and which concerns Canada's entire artistic and cultural community, but excluding my colleagues across the aisle, I must say to him that of course the matter comes under my colleague, the Minister of Finance, and that if he has precise measures to draw to his attention—

Madam Speaker: Order, please. The hon. member for Peterborough.

* * *

[*English*]

VIA RAIL

CANCELLATION OF PASSENGER SERVICES

Mr. Bill Domm (Peterborough): Madam Speaker, my question is directed to the Minister of Transport. I will try to be as brief as the minister who preceded me! Intercity VIA Rail service will shortly be terminated between Toronto, Peterborough and Havelock. I remind the minister and this House that this is the last passenger rail service connecting these communities at present. The figures supplied to the minister have never been audited and the minister refuses to have them audited. In light of the fact that yesterday in the House the minister agreed to appear before the Standing Committee on Transport to give reasons for the termination, could the minister agree to have those figures that were supplied to him by VIA Rail, audited prior to the termination of these VIA Rail lines which will eliminate 20 per cent of the passenger rail service in Canada?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I must say I am very, very sad to hear the interpretation given to that part of the policy statement we made on July 27. What we said was that commuter trains should be operated by the provinces.

Mr. Clark: And economic policy by the banks!

Mr. Pepin: In the past commuter trains were not subsidized by the federal government. The Leader of the Opposition should know that. What we suggested was only that. I take almost for granted now that Mr. Snow, the Ontario minister of transport, will do that. At the meeting in Winnipeg he asked me would the Canadian government make sure that costing order R-6313 would be made available to the provincial government in order to take over that responsibility should they decide to do that, as I suggest they will.

An hon. Member: What about the audited figures?

Mr. Pepin: It is completely wrong to believe that the commuter transportation at Stouffville, at Havelock, and Barrie will be eliminated. We have given one year to the provincial government of Ontario to discuss these things—

An hon. Member: Havelock is not a commuter line.

Mr. Pepin: —and take over these responsibilities. So, it is a pessimistic view of the world which is reflected in the question.

Some hon. Members: Oh, oh!

APPOINTMENT OF ROBERT TITLEY AS DIRECTOR OF RAIL PASSENGER SERVICES

Mr. Bill Domm (Peterborough): Madam Speaker, the minister has obviously forgotten his letter and his communication with the minister of transport in Ontario, Mr. Snow. He advised Mr. Snow that the rail lines between Havelock and Toronto are not to be considered as commuter service and are therefore not the responsibility of the provincial government.

Some hon. Members: Hear, hear!

Mr. Domm: My supplementary question, notwithstanding the Minister of Transport's own background with Power Corporation, which until recently owned Voyageur-Colonial, is this: would the minister agree that his department is in danger of becoming, or has already become merely an arm of the bus lobby, especially in view of the recent appointment of Mr. Robert Titley, formerly an executive with Voyageur, as a new director of rail passenger services with Transport Canada? Appointing this gentleman as director of rail passenger services is like appointing the fox to look after the chickens.

Some hon. Members: Oh, oh!

Madam Speaker: Order! The first was a supplementary. The hon. member cannot have a third supplementary.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the question is so unfair and so low in style that I do not think I should honour it with an answer.

Some hon. Members: Oh, oh!

Mr. Pepin: If my hon. friends are looking for that kind of background, they should know that my father was a CN employee for 45 years.

With respect to Mr. Titley, an officer of my department, he is also a former employee of the Canadian Transportation Commission. That should be sufficient.

Mr. Clark: Maybe he works for Petro-Canada.

Mr. Pepin: Those are two points to underline the unfairness of the question.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

EL SALVADOR—POSITION TAKEN BY CANADIAN GOVERNMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is for the Right Hon. Prime Minister. Next week the right hon. gentleman will be attending the North-South Summit meeting in Mexico. I know he places great hope in this, as I do, and I wish him well.

In that particular part of the world violence and war are destroying much of what the development cause of the world is hoping for. In regard to El Salvador, since the last sitting of this House last summer, President Mitterand of France, President Portillo of Mexico, and other countries like Ireland, Norway and Nicaragua have said they believe that the FDR in El Salvador is a legitimate political force which must be taken seriously, and they have called for negotiations to stop the war. In light of that development, what is Canada ready to do, and what is our present position?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I welcome the hon. member's support for my visit to Cancun next week to deal with the problem of injustice as it exists between North and South countries. I am satisfied that the hon. member's party is less reactionary in its view of the problems of injustice than the party opposite me.

An hon. Member: What about your own party? What about the 991,000 unemployed here?

Mr. Trudeau: It seems to think any effort to help the Third World is wasted on the Canadian people.

An hon. Member: Shame!

Mr. Clark: That is a falsehood, and you know it.

An hon. Member: That is even below your standard. That is not true; it is a cheap shot.

Mr. Baker (Nepean-Carleton): You should apologize.

Madam Speaker: Order. There has been too much heckling today. We are spending too much of our time on heckling and not enough on questions.

An hon. Member: Look on the other side, too.

Mr. Trudeau: Madam Speaker, the Leader of the Opposition says that is a falsehood. I would like to know the meaning of his innuendoes that he has made repeatedly these past two days that I have been travelling too much. All of my travels in the past year have been to countries of the Third World or directly connected to discussions of a solution to the problem.

Some hon. Members: Hear, hear!

An hon. Member: That is why you were skiing in Austria.

An hon. Member: Is that why you were in Fiji?

Madam Speaker: Order, please.

An hon. Member: Answer the question.

Mr. Baker (Nepean-Carleton): Why do you not answer the member's question?

Mr. Trudeau: One member shouts Austria and another asks about Fiji.

An hon. Member: Answer the member's question.

Madam Speaker: Order. Order. I would appreciate it if the Prime Minister would try to ignore the hecklers and, as much as possible, give his answer.

Mr. Trudeau: I am sorry, Madam Speaker, but there are too many innuendoes and direct accusations coming across the floor.

An hon. Member: If you cannot stand the heat, get out of the kitchen.

An hon. Member: We are over here!

Mr. Trudeau: Madam Speaker, I think even the NDP realize I cannot deal with 20 questions at the same time.

An hon. Member: He asked the question.

Madam Speaker: I have to recognize the hon. member for Saskatoon East if he has a supplementary question.

An hon. Member: Let him answer the first question.

An hon. Member: Yes, and make the Tories listen.

Some hon. Members: Oh, oh!

QUERY RESPECTING CANADIAN ASSISTANCE TO INITIATE NEGOTIATIONS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I do not really feel the question I asked was one to be laughed about. In the last two years 30,000 people have died. It was two years ago today that the junta, seven members, took over the country. Since then there has been a civil war in which the poor have suffered and died by the thousands. Colonel Adolfo Arnoldo and Dr. Hector Dada, two of the junta members, have indicated there is no possibility for the war to come to an end. Nor is there any possibility for elections next March, as had been promised.

I believe that Canada is truly a neighbour of the north to El Salvador. I seriously ask the Prime Minister, and I would hope that this House would seriously listen, what positive action is Canada ready to take to help the negotiations begin?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the—

An hon. Member: Tell it to Reagan!

Mr. Trudeau: What is that?

Mr. Clark: Stop play-acting Pierre.

Mr. Trudeau: I do not have any lessons to accept from the Leader of the Opposition.

Mr. Clark: You should.

Mr. Baker (Nepean-Carleton): A lesson in good manners would be helpful.

Mr. Rae: Answer the question!

Mr. Trudeau: If the members of the New Democratic Party are asking questions and are interrupting me in my own answers, I don't feel I have to answer those questions.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Welland.

* * *

• (1500)

CONSUMER AFFAIRS

INVESTIGATION OF UREA FORMALDEHYDE FOAM INSULATION

Mr. Gilbert Parent (Welland): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that the minister inaugurated an investigation into the effects of urea formaldehyde foam insulation last June, could the minister explain what the findings of this commission have been, and when he intends to take action on its findings?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I must inform the House that the investigation is still ongoing and should be completed sometime in November. As soon as I receive the report I will make it public and the government will naturally take the required action following its publication. In the meantime, I can tell the House that tests are now being performed in several Canadian homes in order to determine the extent of the problem, to reassure those whose concerns are unfounded, and also to provide advice to those whose health may be affected by this substance. Canadians are being kept abreast of the results of the tests. As soon as we have obtained a representative sample we will also make it public in order to shed as much light as possible on this whole issue.

* * *

[*English*]

POST OFFICE

STATEMENT MADE BY POSTMASTER GENERAL

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Prime Minister, if I could get his attention. During the course of the postal strike this summer I think perhaps all hon. members might agree that the dumbest comment uttered by any Canadian fell from the lips of the Postmaster General when he said:

> I can't accept that businessmen have to rely on the Post Office to make a living. If they do, they better find other ways.

I ask the Prime Minister whether this statement reflects government policy and, if it does not, will he publicly rebuke the Postmaster General for exhibiting such insensitivity and ignorance on such an important subject?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I thank the hon. member for his question because it gives me the opportunity to explain clearly what I said at that time in the context of the strike. I think that what I said was nothing but a plain truism, meaning that people cannot rely exclusively on the postal service during a strike. I am absolutely astounded by the way this statement was interpreted and blown all out of proportion. I surely am the first to recognize that the Post Office is absolutely important and vital to thousands of small businesses in Canada and that the impact of a strike may be greater for small businesses than for other sectors of the economy. But what I meant by that statement was that the business community had to use some degree of ingenuity in a strike situation rather than ask the government to legislate the employees back to work. The government did not legislate at the time—

Madam Speaker: Order.

Mr. Ouellet: The strike was settled, and I think that it is in the interest of good labour relations that it was—

Madam Speaker: Order.

Mr. Ouellet: —without Parliament having to interfere.

[*English*]

Mr. Speyer: Madam Speaker, that is as pitiful a defence as we have ever heard in this House.

COST OF POSTAL STRIKE TO SMALL BUSINESSES

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is directed to the minister responsible for small business. On the basis of studies done in his department, could he tell us what was the cost to small businesses of the postal strike?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I do not have that information.

* * *

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, October 14, 1981 and finds that they meet the requirements of the Standing Order as to form.

* * *

PRIVILEGE

MR. BROADBENT—DISTRIBUTION OF DOCUMENTS TO MEMBERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a question of privilege pertaining to an answer given to me in the House yesterday by the minister responsible for housing and repeated again today. The question of privilege concerns a very important document which outlines the crisis in housing in Canada today.

I want to say at the outset that the question of privilege, however, does not deal directly with the thousands who are going to lose their homes, as important as that is; nor does it deal with the problems of renters, as important as that is; nor does it deal with the thousands of people who have lost their jobs as a result of the cutbacks in housing, as important as that is. The question of privilege pertains to the fact that a document prepared by a minister of the Crown has been made available, not to other ministers of the Crown involved directly in cabinet work, for which there is a long-established tradi-

tion—even though we do not accept all of that tradition—of keeping such documents secret and private, but that a document, which we think contains information which every Canadian should have in his or her hands, has been made available to certain members of the House of Commons who are not ministers of the Crown and denied to other members of the House of Commons.

More specifically, I know that the hon. member for Shefford (Mr. Lapierre), who is not in the cabinet, has had this document made available to him. My information is that it has been widely distributed to hon. members on the government side. Therefore, my question of privilege is that in terms of their rights members of the House of Commons ought not to be distinguished as to whether they sit to the left of Madam Speaker or to the right of Madam Speaker; every member of the House of Commons ought to have precisely the same rights.

Madam Speaker: I am sorry that I have to call the hon. member for Oshawa (Mr. Broadbent) to order. This question of the distribution of certain documents to some hon. members and not to others has often been raised in the House as a question of privilege and, of course, hon. members will recall that I have had to rule that in those particular cases they were not prima facie cases of privilege.

I must remind the hon. member that, first, as the hon. minister has not quoted from the document, he is not required to table it in the House; it is also his responsibility to circulate certain documents to whom he wishes. That is entirely his responsibility. The Chair is not able to determine what documents are essential to a debate; that is the responsibility of the government.

This might be a legitimate complaint on the part of the hon. member, and he might bring it up on other occasions, but he certainly cannot raise it as a question of privilege. Therefore, I must rule that he does not have a question of privilege.

* * *

PETITIONS

MR. WENMAN—PLIGHT OF HOME OWNERS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise on a point of order. My point of order is to request of you, under Standing Order 67(8), that my very brief petition be read by the Clerk.

Madam Speaker: The hon. member might request that. The report has been tabled, so I think that request is quite legitimate. However, the hon. member will know that he cannot have the petition read unless he has the unanimous consent of the House. Therefore I must ask the members of this House if they give their unanimous consent to having the petition presented by the hon. member for Fraser Valley West (Mr. Wenman) read in the House. Does the House give its unanimous consent to the request?

● (1510)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think that it would be a departure from the ordinary routine of business in the House. Therefore, we cannot give our consent to his suggestion because we indicated that a budget would be brought in within the next few weeks and that any debate of the kind suggested by the hon. member would tend to delay our proceedings and consequently some worth-while budget measures. We are thus unable to give the required consent for that reason.

[*English*]

Madam Speaker: The hon. member does not have the unanimous consent of the House to have his petition read. Therefore, I cannot accede to his request.

Mr. Wenman: Madam Speaker, I rise on a separate point of order, but under the same provision, Chapter XII, 67(8). I must say I was not suggesting that we have a debate as was outlined by the minister. I was simply asking that it be read. That was the permission I was seeking. Perhaps he misunderstood the question. I was asking simply for a reading of the material that had been brought forward.

Madam Speaker: The minister did say that a reading would interrupt the normal business of the House and, therefore, he could not give his consent. As well, he understood from the hon. member that it was just a matter of having it read. He did not give his consent to that. Therefore, the hon. member does not have a point of order.

Mr. Wenman: My point of order relates to the next section, which reads:

—if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

The first request I was making, and which was rejected on the basis of unanimity, was for a reading. At this point I am asking for this because of the personal imminence of the situation. I can give a specific case where in fact a group of Canadians will lose their homes if this matter is not discussed now. It is imminent and significant that the matter be discussed at this moment on their personal need. That is the reason for the petition and why the petition should be discussed.

There is nothing in Standing Orders to suggest this cannot be discussed. Because of that and because of the concern expressed by the members of the House of Commons, I would now request that we have not a debate but a discussion of this subject matter.

Madam Speaker: My understanding of the situation is that if the hon. member did not get consent for a simple reading of his petition, for reasons which I do not have to describe, obviously someone in the House felt it was not urgent or opportune to disrupt the normal business of the House in order to deal with what the hon. member has suggested the House

should do. The logic of this situation is that if hon. members do not want the petition to be read, then obviously they will not want to discuss it.

I remind the hon. member that petitions in this House have not usually been discussed. The rule read by the hon. member I believe refers to a different meaning of the word "petition" from the one which is accepted within the confines of our rules. When petitions are tabled in the House, a report is made as to their form. They might be read by the Clerk upon request if there is unanimous consent.

The only precedent I can find with regard to some follow-up to a petition was in the case of Mr. MacInnis where the petition was referred to a committee. It was not discussed in the House at the time the hon. member is now suggesting this one should be. I think I can resolve this matter quickly by asking the House if it gives its unanimous consent to discussing the petition or to some kind of follow-up to that petition. Does the House give its consent to the suggestion?

[*Translation*]

Mr. Pinard: Madam Speaker, I am just about to announce an opposition day for next Tuesday. That will give the hon. member the opportunity to raise any issue he wishes.

[*English*]

Madam Speaker: The hon. member not having unanimous consent, the matter has therefore been disposed of.

Mr. Ian Deans (Hamilton Mountain): On the point of order, Madam Speaker, I wish to quote from Beauchesne, page 213, citation 694:

> While a member has clearly a right to ask that a petition be read, it is a privilege, like many others, subject to the approval of the House itself. In case of opposition, the Speaker will put the member's motion "that the petition be read", formally to the House.

Nowhere can I find that it requires unanimous consent.

Madam Speaker: I quote from Beauchesne, citation 695, at page 213:

> A petition having been presented, and being in order as to the form, may, with unanimous consent, be read by the Clerk, and may thereafter, with unanimous consent, be referred to a committee.

That is citation 695 of Beauchesne.

Mr. Deans: On the same point of order, I would suggest that the member is not asking that it be read by the Clerk but that the member himself be allowed to read it, which is not what is referred to in 695 but rather what is referred to in 694.

Madam Speaker: I have to remind the hon. member that he may be asking for that, but that provision does not exist under our rules. The only thing that can happen with a petition is that, with the unanimous consent of the House, it may be read by the Clerk, not by the hon. member. Other things may then happen if unanimous consent is given to the reading of the petition.

Mr. Wenman: On a point of order, Madam Speaker. You mentioned that the precedent that has been set is that petitions have been read in the past and, second, that they have been referred. There is no precedent in this House of Commons relating to discussion, as is stated under section 67(8). This would be a new precedent. You in fact would be creating a precedent by this decision.

I would ask that you give this very careful consideration and perhaps reserve judgment. The discussion of petitions is the most basic and fundamental right of democracy; it was a right before democracy was even created. The right of petition being a pre-democratic right, that right of petition must be given full opportunity in this House of Commons. Therefore, I ask that you consider it very carefully because there is no precedent that I can see nor that you have quoted which relates to immediate discussion, or in fact to a full majority being required for that.

Madam Speaker: I will not entertain any further discussion because I have already ruled on this question. There is no precedent where a petition has been discussed in this House. I go by the rules which do not tell me clearly that a petition can be discussed if certain things happen. There is no precedent that allows me to permit the hon. member to have his petition discussed. The procedure by which that can happen did not take place in this House. The hon. member did not get unanimous consent for the first part of that procedure. That is why I ruled that we could not pursue the hon. member's suggestion. We should close debate on this because I have already ruled on it and the precedents of the House are quite clear.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Madam Speaker, I rise on a point of order. I should like to take this opportunity to congratulate the new House leader for the Progressive Conservatives (Mr. Nielsen) and to tell him that the House leader usually inquires on Thursdays about the business of the House. Since he no doubt forgot to do so today, allow me to briefly summarize the business of the House for the next days. First of all, today and tomorrow we will proceed with Bill C-48 dealing with oil and gas and the Canadianization of our oil industry. Consideration of this bill will extend into Monday. Next Tuesday will be an opposition day, after which we will resume debate at the report stage, and I do hope that we will complete third reading of Bill C-48 before next Thursday. This work schedule will be followed for now and in the future until further notice, and I am thinking in particular of the notice provided for in the House order for the conclusion of the constitutional debate. Should the government decide to use this order of the House to end the debate on the Constitution, it must give notice, and I want to make it clear that this notice could be given any time as of today. However, the normal order of business will be as I just

indicated and will not be changed unless the House is otherwise advised, which includes the possibility of the notice required under the agreement reached for the conclusion of the constitutional debate.

● (1520)

[*English*]

Mr. Nielsen: Madam Speaker, I was intending to rise just before orders of the day were called, as I believe to be customary, to establish the routine business. In any event, it would have given the House the opportunity of proceeding more efficiently through the daily routine business without interruption. I wonder if it is going to be the intention of the government House leader to continue the practice of holding House leaders' meetings.

I was grateful to him last week when he called me about 45 minutes before his press conference to inform me of the business of the House for the remainder of this week. My colleague from Nepean-Carleton informed me that in the past it has been customary to hold regular House meetings on a weekly basis, with rare exception. I believe it would be desirable to continue that practice; however, perhaps the government has something else in mind as a result of the changes to my left as well as here. I would hope we could re-establish the custom of holding those meetings.

Perhaps that would do away with the necessity that faces me now of inquiring of the government House leader whether it is the intention to allot the remaining four opposition days, which I understand must be allotted before December, so that we may deal with them in an intelligent manner with the House leader for the New Democratic Party.

Secondly, in view of the reluctance of the Prime Minister and of the Minister of Finance to provide members of the House with information as to the date of the budget, perhaps the House leader could be more forthcoming and inform members of the House when that budget date might be.

[*Translation*]

Mr. Pinard: Madam Speaker, there is no question of reinstating the practice of holding meetings of House leaders because this practice is still being followed. There is therefore no need to reinstate it. We did not meet this morning quite simply because there was no change from what I had mentioned to my hon. colleague on the telephone last week and because I wanted to confirm it for the benefit of the other members on both sides of the House. It is certainly most essential for us to meet as often as necessary, and I do not restrict this to one meeting a week. It has sometimes been necessary to meet several times a day, and this could happen again. We have had that experience not so long ago. However, it has also happened that we did not have to meet in over a week because the business of the House was not proceeding quickly enough. If we were to complete the debate of Bill C-48 sooner than expected, I would certainly hasten to call a meeting, even before next Thursday. If my learned colleague tells me that we shall be voting at the report stage of Bill C-48 on Monday, I shall be happy to hold a meeting Monday evening to plan the next day's business. However, let us wait and see what happens, but the principle involved is very important: it is necessary for the House leaders of all parties to meet in harmony as often as need be to ensure the smooth running of this Parliament. This is the responsibility of the House leaders. I congratulate the House leader of the Progressive Conservative Party on showing concern and I can assure him of my full co-operation in this regard.

As concerns the date of the budget speech, it is of course up to the Minister of Finance to set it. I am not in a position to contradict the replies that he or the Prime Minister have already given about this matter. It seems that the minister will be able to bring down a budget probably at the end of this month or in early November. In any event, I want to point out that the order of business will be announced as early as possible after we learn what will happen and that the only thing which could delay any bill, including the budget bills and the budget itself, would be a change in priorities; but if this were the case, I can assure the hon. member that he would be so advised within the time limits provided under any agreement or our rules.

[*English*]

Mr. Nielsen: I listened very carefully to the government House leader; however, he did not cover the point I raised with respect to the allotment of the remaining four opposition days. I suggest to him we should have an early meeting, because it is simply impossible to deal with a division of allotted days between ourselves and the other opposition party in the House if we are going to be given them piecemeal. We must have some foreknowledge of when they are going to be called so that we may deal with them. I wonder if he might cover that point.

[*Translation*]

Mr. Pinard: Madam Speaker, there is no established practice with regard to a formal meeting for the designation of allotted days. On the contrary, it is a prerogative of the government under Standing Order 18(2) to set the sequence of government business. And my colleague knows quite well that I cannot break away from tradition and undertake to seek the advice of hon. members opposite every time we want to designate an allotted day. However, I want to say in all fairness that if he wants to submit a list of convenient days, as his predecessor used to do, although I cannot promise to accept his suggestions, I can assure him that I will give them very serious consideration.

[*English*]

Mr. Deans: Madam Speaker, I have a couple of matters I would like to raise. First of all, I am happy to meet at any time. I recognize that members of the House are expected to be prepared to deal with any matter on the Order Paper at any time, but it is difficult to order one's own life when we know

we only have an understanding as to the business of the House until Tuesday of next week. More specifically, when the information was given out earlier this week on what we were going to deal with, the government House leader indicated we would go to Bill C-23 in the event we completed Bill C-48.

I would like specifically to ask whether or not it is still the intention of the government House leader to proceed to that piece of legislation immediately in the event we complete Bill C-48 by the end of next week. Failing that, I wonder if we might even get a hint as to the order of business that might be called for next week in order that we can alert people to be as prepared as possible and thereby expeditiously deal with the matters that are before us.

Before I sit down, Madam Speaker, I might say, in regard to my colleague for whom I am filling in temporarily, that his state of mind would be improved considerably if the government were to give serious thought to legislation dealing with widows' pensions. I am sure he would be back in the House forthwith, and happily, if he could see passed through all stages and given royal assent a bill which would improve in particular the lot of women in this society.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pinard: I also wish to take this opportunity to congratulate my hon. colleague on having assumed those important duties and to wish a speedy recovery to his predecessor. He has now asked what bill would be brought in if consideration of Bill C-48 was completed by next week. I cannot go back on what I said to him last week; on the contrary, however, if it should happen that we had to change the priority which I had indicated to him he would certainly be advised in due time. As for the business for next week, I gave a good indication a while ago in my reply to the House leader of the Progressive Conservative Party. However, if my colleague wants to have an idea of what we will be doing in the following weeks, and that seems to be the intention of his question, I will remind him that we are still in the same session that followed two elections held in less than a year and that there is still a backlog of bills on the Order Paper.

Up to now we have passed 65 bills but there are still about 20 on the Order Paper and each of them is important. We would like to dispose of them before Christmas. There is also the budget debate coming up; and as a result of the budget some bills will have to be considered and also of course that major bill on oil and gas now under consideration. Essentially this is our calendar up to Christmas and I hope that we will make sufficient progress to enable us to begin 1982 with a new session, but I cannot at this time make such a commitment. However, I wish to assure my two colleagues that we will meet as often as necessary and, of course, starting next week.

• (1530)

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to ask a question with respect to the responsibility within the ministry for a certain statute. As my hon. friend knows, Bill C-43 dealing with freedom of information is before the committee in the name of the previous secretary of state. There is now a new Secretary of State; in the recent shuffle, the Minister of Labour has become the Secretary of State. The minister who had joint responsibilities for that portfolio and that of communications is now the Minister of Communications. Could the House leader indicate who will be responsible for the conduct of the legislation through the House, namely, the legislation known as freedom of information?

[*Translation*]

Mr. Pinard: Madam Speaker, according to the latest information, the minister who has piloted the bill through the House so far will continue to do so; should technical alterations in the bill be indicated, we will take what steps are necessary to obtain the required consent and make what changes are required. That is the gist of the information I was given; should I be mistaken, I shall see to it that the hon. member is advised accordingly as soon as possible.

[*English*]

Mr. Beatty: Madam Speaker will remember that on a number of Thursday afternoons prior to the summer recess I asked the government House leader what intentions the government had with regard to responding to the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments. At that time the government House leader indicated that the government was working feverishly to come up with a response to the committee's fourth report, to the report of the select committee of the Economic Council, as well as to other proposals dealing with parliamentary reform. Now that the House has been reconvened, may I ask the minister whether he could indicate when this material will be put before the House?

[*Translation*]

Mr. Pinard: It is true that the reports mentioned by the hon. member do have a bearing on parliamentary reform generally and, more specifically, on the structure of committees. I have already indicated that we worked very hard on parliamentary reform during the last few weeks; we are still doing so. But the question remains as to whether or not the proposed reform should be negotiated with House leaders before the end of the current session or early in the next one. That is a matter on which I should appreciate the views of the hon. member and my other colleagues. In any event, I am not in a position to say today exactly when the proposed amendments and improvements to our Standing Orders will be brought in; that is, before the end of this session or early in the next one. That is something that will in all probability be determined in the next few weeks.

In the meantime, it is absolutely unthinkable that we should devote the time of the House, that is so precious, to a premature study of those reports which are doubtless important in themselves but which one way or another will be considered by the House or in committee within the framework of a reform of our Standing Orders.

* * *

[*English*]

OFFICIAL REPORT

DISTRIBUTION OF DAILY ISSUE

Mr. Gordon Towers (Red Deer): As Madam Speaker is no doubt aware, usually we have the distribution of *Hansard* prior to the opening of the House. As of 3.30 today we have not had yesterday's *Hansard* distributed or made available to hon. members. I am just wondering whether there is an explanation for what has happened, or is this a sign of things as they are to be in the future?

Madam Speaker: I am sorry, but I cannot even offer an explanation. I learned just now that indeed *Hansard* has not been distributed, but we do not really have an explanation. Something seems to have broken down in the printing, but I will see to it that *Hansard* is distributed.

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES AND FORESTRY

PRESENTATION OF REPORT OF SUBCOMMITTEE ON ACID RAIN

Miss Coline Campbell (South West Nova): Madam Speaker, I have the honour to table in both official languages the sixth report of the Standing Committee on Fisheries and Forestry which deals with "Still Waters, the Chilling Reality of Acid Rain".

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

* * *

[*English*]

PETITIONS

MR. HUDECKI—RIGHT TO LIFE OF THE UNBORN CHILD

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, it is my privilege to present to the House this petition on behalf of 6,507 deeply concerned citizens from the Hamilton area, including myself, requesting the Government of Canada clearly to define and guarantee the right to life of the unborn child in the proposed charter of rights, and that this guarantee be granted to all from the moment of conception to natural death, acknowledging the dignity and the worth of human persons, including those still in mothers' wombs.

MR. CLARK—PLIGHT OF HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise again today to present some petitions on behalf of Canadians across the country who are asking for help for those citizens of Canada who are threatened with the loss of their homes as a result of the deliberate high interest rate policy of the Liberal government.

I must say that I regret that the government House leader refused two earlier petitioners in this matter the opportunity to have their grievances stated in their Parliament, but that is consistent with the practice of a government which would force these Canadians out of their homes.

I am presenting petitions from the city of Pickering with 1,061 signatures, from the cities of Oshawa and Toronto with 342 signatures, from residents of the Durham Condominium Corporation of the city of Pickering with 416 signatures and also one signed by 829 residents of the city of Mississauga.

MR. CORBETT—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I should like to present a petition to the House signed by some 11,400 New Brunswickers and other citizens of Canada who are completely discouraged and disgusted with the arrogance and unilateral decision taken by the government to cut certain VIA Rail services.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 118, 1,322, 2,183, 2,790 and 2,805.

[*Text*]

ELECTORAL PERIOD

Question No. 118—**Mr. Cossitt:**

Is the government prepared to recommend to the House of Commons that the Standing Committee on Privileges and Elections be authorized to examine various means of shortening the period of time necessary for holding general elections including the developing of a permanent system for registering voters?

Hon. Yvon Pinard (President of the Privy Council): The idea of a shortened election period was discussed in previous Parliaments, notably in 1976 when the Standing Committee on Privileges and Elections studied the Chief Electoral Officer's report, "An Examination of Possible Ways of Reducing the Electoral Period". In its seventh report of April 29, 1976, the committee recommended that the government consider shortening the election period to 47 days. On November 5,

1979, the previous government introduced Bill C-21, which proposed to reduce to a minimum of 47 days the period required to hold general elections and byelections. Bill C-21 was never debated in the House of Commons prior to the dissolution of the Thirty-first Parliament. On January 26, 1981, the present government introduced Bill C-58, which is virtually identical to the earlier bill. Bill C-58 received second reading on July 3, 1981.

The feasibility of various ongoing voter registration systems was examined by the Standing Committee on Privileges and Elections as part of its study of the above-noted report by the Chief Electoral Officer. In its reports of April 29, 1976, the committee made no recommendation about the establishment of a permanent system for registering voters.

CFDC—BACKING FOR PRIVATELY OWNED COMPANIES

Question No. 1,322—**Mr. Friesen:**

1. (a) What are the names of the privately-owned companies which receive financial backing from CFDC (b) on what date did they first receive financial assistance (c) what was the cost to CFDC for (i) 1979 (ii) 1980 (d) what are the projected costs for 1981?

2. In what location is the head office of each company?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Film Development Corporation as follows: It is the practice of the CFDC not to reveal the amount of its investments in individual productions in order to protect the producers and other investors' interests in their dealings with third parties. This business practice is followed by other government bodies, such as the Federal Business Development Bank, etc. However, the information provided herein on the films produced with the participation of the CFDC is available from the annual reports of the corporation.

1. (a) For fiscal year 1979-80:

	Title	Production Company	Head Office Location
1.	Atlantic City, USA	International Cinema Corporation & Selta Film	ICC—Montreal
2.	Babe	Rafal Productions Inc.	Montreal
3.	Ça peut pas être l'hiver, on n'a même pas eu d'été	La Maison des 4 Inc.	Montreal
4.	Circle of Two	Film Consortium of Canada Inc.	Toronto
5.	Cries in the Night	Northampton Productions Ltd.	Toronto
6.	Deadline	Horror Picture Film Production Co. Inc.	Toronto
7.	Dirty Tricks	Filmplan International Inc.	Montreal
8.	Drats	Dratsco Inc.	Toronto
9.	Fantastica	Les Productions du Verseau/E.I. Productions	Montreal
10.	Final Assignment	Persephone Productions Ltd.	Toronto
11.	Going for Broke	Westfront Productions Inc.	Toronto
12.	Head On	Michael Grant Productions Ltd.	Toronto
13.	Hogwild	Filmplan International Inc.	Montreal
14.	Jack London's Klondike	Norfolk Communications	Toronto
15.	L'Affaire Coffin	Les Productions Vidéofilms Ltée	Montreal
16.	La Vie de couple	Les Productions Prisma Inc.	Montreal
17.	Le Château de cartes	Ballon Blanc Inc.	Montreal
18.	L'Espace d'un été	S.D.A. Productions Inc.	Montreal
19.	L'Homme à tout faire	Corporation Image M & M Ltée	Montreal
20.	Le Paradis des Chefs	Les Productions Via le Monde Canada Inc.	Montreal
21.	Les Voyages de Tortillard—Série II	Les Films du Train Secret Inc.	Montreal
22.	Métier Boxeur	Momentum Inc.	Montreal
23.	Middle Age Crazy	Tormont Film Productions Inc.	Toronto
24.	Mr. Patman	Film Consortium of Canada Inc.	Toronto
25.	Improper Channels	Paragon Motion Pictures	Toronto
26.	Scanners	Filmplan International Inc.	Montreal
27.	Surfacing	Surfacing Film Productions Inc.	Toronto
28.	Suzanne	RSL Films Ltd.	Montreal
29.	Tanya's Island	The Film Associates Ltd.	Montreal
30.	The Clean-Up Squad	Dal Productions Ltd. & Rose Films	Montreal
31.	The First Hello	BM Filmcorp Entertainment Finance Inc.	Montreal
32.	The Last Chase	Argosy Films Inc.	Toronto
33.	Tulips	Tulips Productions (ABP) Ltd.	Montreal
34.	Your Ticket is No Longer Valid	RSL Films Ltd.	Montreal

For fiscal year 1980-81:

1.	Aurore boréale	Interimage Inc.	Montreal
2.	Les Fils de la Liberté	Interimage Inc.	Montreal
3.	Journée en Taxi	Videofilms Inc.	Montreal
4.	Mish Mash	Ciné-Groupe Inc.	Montreal
5.	On n'est pas des Anges	Productions Prisma Inc.	Montreal
6.	Les Plouffe	International Cinéma Corporation	Montreal
7.	Bells	Coco Films Productions Inc.	Toronto
8.	Black Mirror	Mirada Productions Ltée	Montreal
9	By Design	B.D.F. Productions Ltd.	Toronto
10.	Chatwill's Verdict	Verdict Productions Inc.	Toronto
11.	Comics	Filmplan International Inc.	Montreal
12.	Fright	Filmplan International Inc.	Montreal
13.	Gas	Filmplan International Inc.	Montreal
14.	Happy Birthday To Me	The Birthday Film Co.	Montreal
15.	Harry Tracy-Desperado	Desparado Productions Inc.	Montreal
16.	Heartaches	Rising Star Films Inc.	Montreal
17.	Latitude 55	Savage God One Film Productions Inc.	Calgary
18.	My Bloody Valentine	The Secret Film Co. Inc.	Montreal
19.	One Thousand Dozen	Norfolk Communications	Toronto
20.	Reckless	Film Three Productions Inc.	Montreal
21.	South Pacific '42	Surfacing Film Productions Ltd.	Halifax
22.	The Grey Fox	Mercury Pictures	Vancouver
23.	The Unexpected	Norfolk Communications	Toronto
24.	Ticket to Heaven	Stocker Productions Inc.	Toronto
25.	Utilities	Robert Cooper Productions Inc.	Toronto

(b) This information is not readily available in a meaningful form as the production companies are, in many cases, limited liability companies established

for the production of a specific film. However, the CFDC's financial participation in the individual film may have commenced in previous fiscal years with loans made to the producer for development of the script and the property, prior to the production company's incorporation. This is in keeping with the corporation's policy of participating financially in the production and, since 1981, distribution of individual films, rather than providing operating capital to companies.

(c) CFDC's financial participation in the production of these films was:

(i) for 1979-80	$8.95 million
(ii) for 1980-81	$6.1 million

(d) The corporation's operational budget includes $2.75 million for assistance to the production and distribution of Canadian films. This amount is additional to the $4 million interim financing fund announced by the Minister of Communications on June 6, 1981.

2. See No. 1(a) above.

REVENUE CANADA—AREA COLLECTOR FOR VICTORIA

Question No. 2,183—**Mr. Miller**

1. On how many days last year was the area collector for Victoria actually in Victoria supervising national revenue customs operations for Vancouver Island?

2. Does the area collector for Victoria live on Vancouver Island and (a) if not, is the government paying for his transport accommodation and food when he is actually on the Island (b) if so, what amounts have been paid and for what items?

3. On what date was the present area collector for Victoria hired?

4. How much time has he spent on Vancouver Island supervising customs operations in the past year?

5. How many customs employees resident on Vancouver Island applied for the Victoria area collector's position?

6. Was the present area collector for Victoria hired as a PM4 to allow him to qualify as a PM5 in Vancouver after he has met the qualifying time as a PM4?

7. (a) How many persons are in acting supervisory positions in the Pacific regional office (b) what are the positions in which acting supervisors are currently placed (c) on what date will the positions be filled with permanent staff?

8. (a) Did 16 persons apply for a PM2 position at Sidney and were all applications judged to be not qualified (b) did any of the applicants have previous experience in the position (PM2) (c) does the Department of National Revenue or officials have a specific candidate they wish to place in the position who failed to qualify on the first competition (d) on what date will the next competition be held for the position?

Hon. William Rompkey (Minister of National Revenue): 1. Since being appointed the area collector for Victoria on June 2, 1980, he has actually supervised customs operations at that point for a total of 98 days, as of the date this question was asked.

2. The area collector resides in Victoria when supervising the local operations, however, commutes to Vancouver on the weekends where he maintains his residence.

(a) When in Victoria the collector is not compensated by the government for transportation, accommodation or food except when visiting his outport operations, i.e., Nanaimo, Campbell River.

(b) No amount has been paid.

3. See reply to No. 1 above.

4. See reply to No. 1 above.

5. One employee who actually resided on Vancouver Island applied for the Victoria area collector position.

6. The present area collector for Victoria was the successful candidate in a national competition and was appointed to the PM-4 collector's position. He was not hired as a PM-4 to allow him to qualify for a PM-5 position in Vancouver.

7. (a) There are presently three persons in acting supervisory positions in the Pacific regional office.

(b) The positions in which acting supervisors are currently placed are:

PM-6 manager B.C. and Yukon operations

PM-5 manager regional operational services

PM-5 manager investigations.

(c) It is expected the aforementioned positions will be filled by permanent staff within the next few months.

8. (a) All applicants for a PM-2 position at Sidney were tested in accordance with the normal selective criteria and were judged as unqualified. There were 20 applicants originally, four withdrew, the other 16 were interviewed.

(b) Of these applicants, 12 had limited supervisory experience either in an acting capacity or when performing similar functions.

(c) The Department of National Revenue or its officials do not have a specific candidate identified to place in the position.

(d) The anticipated date of the next competition for the position will be in five to six months.

OHIP PAYMENTS

Question No. 2,790—**Mr. Herbert:**

1. Does the government contribute part of the cost of the Ontario Hospital Insurance Plan (OHIP) premiums to public servants and, if so (a) how many public servants receive the benefit (b) what is the basis for the payment?

2. Was the contribution of the government increased when the premium was increased?

3. Is the amount of the federal benefit taxable by the (a) government (b) provincial governments?

Hon. Donald J. Johnston (President of the Treasury Board):

1. The government, as employer, pays a portion of the Ontario Health Insurance Plan premiums of federal public service employees.

(a) That contribution toward OHIP premiums is made on behalf of approximately 100,000 employees, and

(b) until the recent increase to the OHIP premium rates effective July 1, 1981, the government contribution was based on 50 per cent of the premium for single employees and employees with one dependent, while for employees with more than one dependent the contribution was slightly greater than 50 per cent of the premium ($20.60 of the total premium of $40).

2. The government contribution was not increased when the OHIP premiums were increased effective July 1, 1981, so that employees assume the full cost of that premium increase.

3. The government's contribution, as employer, toward the OHIP premiums of federal public service employees, is a taxable benefit in the hands of those employees, and is therefore subject to both (a) federal and (b) provincial income tax in the same manner as any other taxable income from employment.

TRAVEL OF OFFICIALS FROM PRIVATE COMPANIES ON CF VESSELS

Question No. 2,805—**Mr. Skelly:**

1. Were officials of Noranda Mines Ltd. and MacMillan Bloedel Ltd. transported between Powell River and Vancouver Island on July 15, 1981 aboard a Canadian forces vessel and, if so (a) under what circumstances (b) which vessel was employed?

2. Was compensation made to the Crown and, if so, in what amount?

3. Are Canadian Forces vessels now available to certain parties, including union officials, to travel between industrial installations on the coast of British Columbia?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

(a) and (b) A group of industry officials, in response to an invitation by the Commander Maritime Forces Pacific in accordance with his community relations program, embarked on HMCS *Gatineau* which was conducting routine exercises in the area between Powell River and Nanaimo.

2. Not applicable. See answer to parts 1 and 3.

3. The travel aspect of this activity is purely incidental. Groups, such as industrialists, union officials, youth movements, service clubs, chambers of commerce, political leaders, etc., are routinely hosted at Canadian Forces installations in order to better acquaint a wide cross-section of Canadian society with the aims, missions and activities of the Forces, their personnel and equipment, as part of ongoing community relations programs.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 1,681 could be made an order for return, this return would be tabled immediately.

[*Text*]

SUPERANNUATION FOR PUBLIC SERVANTS

Question No. 1,681—**Mr. Stewart:**

1. On what date was the superannuation plan for public servants, RCMP and the military established?

2. What is the current percentage of payroll deducted from an individual contributor and what is the government's matching contribution?

3. Are contributions held in a separate trust fund or do they become part of the government's general revenues?

4. What percentage of interest was paid when the fund was first established and what is the current rate paid by the government?

5. What amount is currently in the pension fund?

6. What amount of interest did the fund earn in each of the past ten fiscal years?

7. What would the fund have earned in interest if contributions had been invested in Canada Savings Bonds in each of the past ten fiscal years?

8. What payments have been made from the fund in each of the past ten fiscal years?

9. To the knowledge of the government (a) how are some of the larger pension funds of large Canadian corporations handled (b) are companies required to hold the funds in trust (c) what are some of the average interest earnings per annum in relation to three or four of the larger private sector pension funds?

10. Is the rate of interest paid to the Public Service Superannuation Fund reviewed and, if so (a) how often (b) by whom (c) are representatives of the Public Service consulted before a rate of interest is struck?

Return tabled.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Wednesday, October 14, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton) and 57 (Mr. Fulton).

Mr. Ian Deans (Hamilton Mountain): Madam Speaker will recall that on July 13, 1981, at the time Your Honour gave your rulings on the appropriate motions to be put to the House, you indicated with regard to Motion No. 54 that the matter could be further discussed at an appropriate time.

● (1540)

I should like to ask, if I may, that the matter be discussed now since that motion will be coming before the House very quickly; and in the event that the decision is upheld or reversed, I ask that members be given time to prepare for the debate.

Madam Speaker: The hon. member may rise on a point of order and proceed now if he wishes.

Mr. Jim Fulton (Skeena): On the same point of order, Madam Speaker.

Madam Speaker: The hon. member for Skeena (Mr. Fulton).

Mr. Fulton: Madam Speaker, it is the same point of order as that raised by the previous member regarding Motion No. 54 which I drafted. I drafted it with great care taking into account precisely the point that Your Honour raised. Citation 773(7) of Beauchesne reads as follows:

An amendment is out of order if it imposes a charge upon the public treasury—

I took great care in drafting the motion. The two points to which Your Honour referred were in relation to the formation of the compensation fund.

On today's Order Paper the motion reads, in part, as follows:

"19.2(1)(a) A compensation fund shall be established by the Minister of the Environment to provide for damages.

No cost is involved there. It goes on:

(b) the compensation fund shall be funded by all persons who obtained an authorization under paragraph 3.2(1)(b) by letters of credit totalling at least $500 million.

Funds are definitely mentioned in subclause (b) but they would be raised from the industry itself and the various corporations involved. There would be no direct charge under those letters of credit against the public treasury. The motion continues:

(c)(i) the compensation fund shall be administered by a board appointed by the minister and will be called the "Compensation Fund Board."

(ii) in addition to federal officials the board referred to in (i) above shall consist of representatives from onshore and offshore fishing organizations, native groups, territorial and provincial governments, and industry.

Again, there would be no cost to the public treasury. That clause was discussed in committee and it was specifically drafted so that members of the board would be extracted from all those areas of the country—from provincial, municipal and territorial governments, native organizations and fishing organizations—and they would be voluntary members of the board. The costs of the necessary travel and so on necessary in order to participate in board activities would come out of the compensation fund itself and not the public treasury.

The other points raised in Motion No. 54 relate to the actual administration of the fund and the fact that the governor in council can make regulations to govern the administration of the fund. That would not cause any direct draw to be made on the public treasury.

With all respect to the Chair, I think it is clear that Motion No. 54 can be considered as an amendment that does not fall within citation 773(7) of Beauchesne. It is clearly something that can be debated. It is a viable amendment and, in my view, is certainly one of the most important components for the protection of the public interest in Bill C-48.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, we have a motion under discussion that, in effect, would provide for the establishment of a board to come under the jurisdiction of the Minister of the Environment (Mr. Roberts) and which would administer funds obtained from licence holders through letters of credit. I understand the argument from the hon. member opposite is to the effect that somehow this proposed amendment does not infringe upon the financial initiative of the Crown.

I would draw the attention of the hon. member and the House to page 182 of Beauchesne, citation 540, which reads in part as follows:

—an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private members but also on ministers whose only advantage is that, as advisers of the Crown, they can present new or supplementary estimates or secure the royal recommendation to new or supplementary resolutions.

The principle here is simply that the initiative with respect to financial expenditures must come from the Crown and the grant be made by Parliament. The reverse situation, one which the expenditure of money is recommended by Parliament and the Crown would concur, is impermissible.

Motion No. 54 sets out Clause 19.2(1)(d) as follows:

(d) any person(s) claiming for damages may apply directly to the compensation fund—

Then it goes on:

(e) the board shall review the case and make payment to the person filing the claim.

Accordingly, the amendment requires that payment might be made to all claimants. However, subclause 19.2(1)(f) provides that the compensation fund shall recover its award from the letter of credit. Thus there is always, initially, a charge on the Consolidated Revenue Fund under the scheme which may or may not, where no fault is found, be recoverable from the letters of credit.

In respect of two of the government's amendments to this bill, a revised royal recommendation has been obtained from the Crown on the advice of the responsible minister. However, this option is not available to a private member who does not

have any position as an adviser to the Crown. It can also be argued that the motion would extend the objects and purposes of the financial allocation in respect of the bill, since no such administrative body is contemplated under the present bill. It is an entirely new review system.

The current section of the bill which this scheme would replace provides a strict liability recovery without review, with recourse to the courts where damages incurred are in excess of the strict liability limit. This must of necessity be a much more limited system in terms of administrative cost than the amount proposed by the hon. member opposite. If the motion in fact infringes on the financial initiative of the Crown, I submit that no question can be heard upon it nor can an amendment to the royal recommendation be obtained on the initiative of the member.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I should like to comment briefly on the intervention made by the hon. member for Skeena (Mr. Fulton). I have looked at Motion No. 54 very carefully and my understanding of the motion conforms with that of the hon. member for Skeena, not with that of the parliamentary secretary. The pith and substance of the motion is not the establishment of any board, any modality or any instrumentality for the administration of the fund in question; the main thrust of the motion, as I understand it, is the establishment of a multimillion dollar compensation fund based not on money from the treasury, not from the federal government per se, but on letters of credit from parties actively involved in exploration or development on Crown lands.

In the case of environmental damage from such activities as exploration or development on Crown lands, compensation to affected individuals or groups would be awarded from funds based on the letter of credit of the individual operator found to be at fault. So the money does not come from the Minister of Finance (Mr. MacEachen), the Minister of National Revenue (Mr. Rompkey), the Minister of the Environment (Mr. Roberts) or from the consolidated revenues of the Crown; it comes from a fund especially established for that purpose which would place a burden on people found at fault and in violation of the environment.

• (1550)

For that reason, I do not think the motion violates any parliamentary, governmental or political convention that this House must follow. I urge Your Honour to bow to the very strong argument made eloquently by the hon. member for Skeena and to favour his interpretation, which conforms with my own, rather than that of the parliamentary secretary.

Mr. Deans: Mr. Speaker, I first want to urge upon Your Honour the importance of the ruling on this amendment. I submit that the portion of Beauchesne which was quoted by the hon. parliamentary secretary is an inappropriate section to be used under the circumstances. Citation 540 of Beauchesne speaks directly to any change in the amounts appropriated by the government, by the Crown, within the bill before us.

We on this side of the House, including my colleague the hon. member for Skeena (Mr. Fulton), are not attempting to make one single dollar change to the amounts to be appropriated by the Crown for the purposes of this act. As the parliamentary secretary indicated, Section 540 of Beauchesne says that no amendment can increase, nor can it alter, the terms and conditions relating to the amounts of money appropriated. The amendment before Your Honour in no way alters the terms and conditions attached to the amounts of money to be appropriated by the government for the purposes of Bill C-48. My hon. colleague from Skeena has drafted an amendment, the financial consequence of which will fall upon the sector of the economy which is most involved, and will not require one single dollar of expenditure by the Crown. Therefore, to rely on Citation 540—

Mr. Nielsen: Could I ask the hon. member a question at this stage?

Mr. Deputy Speaker: The hon. member for Yukon (Mr. Nielsen) seeks to ask the hon. member for Hamilton Mountain (Mr. Deans) a question. Does the hon. member for Hamilton Mountain consent?

Mr. Deans: I guess that if he has a question, Mr. Speaker, it is appropriate.

Mr. Nielsen: I would refer the hon. member for Hamilton Mountain (Mr. Deans) to 19.2(1)(c)(ii).

Mr. Deans: Of what?

Mr. Nielsen: Of the composition of the board—of Motion No. 54. I take it we are discussing that. The second subparagraph of paragraph (c) says "in addition to federal officials", and then the paragraph goes on to talk about the composition of the remainder of the board. Who would be paying the salaries of those federal officials? On appointment to such a board, would they cease being federal officials? Would their salaries be suspended? I am a little at a loss to know how a federal official could continue to be a federal official while his salary is being paid by someone else.

Mr. Deans: I know that the hon. House leader for the official opposition is asking this question somewhat facetiously—

Mr. Nielsen: No, no.

Mr. Deans: —since he knows full well that the federal officials mentioned in this section are already mentioned in the bill, that they are not additional federal officials but the same federal officials.

Mr. Nielsen: Who pays their salary?

Mr. Deans: In addition to that, if it were the wish of the government to deal in one way or another with that particular portion, I put it to Your Honour that the federal officials named do not in any way impinge upon the right of a Member of Parliament to move an amendment of this type for the

purpose of setting up a board which will be financially carried by a sector other than the public sector. If it were the wish of the government, it can deal with the matter of the federal officials as a subsequent amendment to the entire bill.

I want to put it to Your Honour that the important point here is that the purpose of that section of the parliamentary procedure which denies to a private member the right to bring in a money bill deals directly with the power of the Crown to administer all matters of finance which require public expenditure. I say to Your Honour that it would not only be inappropriate to rule this particular amendment out of order, but it would also do a grave disservice to the role of Members of Parliament if they were not able to move that a privately funded body be put in place to oversee the possible environmental damages of the actions of private bodies operating under the act.

Therefore, I ask that Your Honour give very careful consideration to this matter, because it has far-reaching consequences which are even beyond the amendment that we have before us. It can reach to the very right of individual members to move legislation setting up bodies which will be funded outside of Parliament and to which the Crown has absolutely no financial obligation, and would render the role of Members of Parliament somewhat less than it has been widely held to be.

Mr. Deputy Speaker: Are there any other hon. members on this same point of order? I believe the hon. member for Skeena has been recognized once on the matter and cannot be recognized a second time.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have just three brief points, basically agreeing with the hon. member for Hillsborough (Mr. McMillan). I do not know whether the hon. member for Yukon (Mr. Nielsen) agrees with his colleague, the hon. member for Hillsborough, but I take it that he does, as well as the hon. member for Skeena (Mr. Fulton).

My three points are simply these: first of all, that there is no charge on the Consolidated Revenue Fund, either indirectly or directly, on the face of this legislation; second, that this amendment fits in with the scheme of those other amendments which we are debating now; third, I submit that if there is any question in Your Honour's mind, it would be better to err—if I can use that word—on the side of putting it before the House and having it debated and voted upon, rather than chucked out, as it were, on a preliminary matter or as a technical objection. In other words, it would be better to put it before the House if it is not absolutely clear from the argument. I think it is clear, but perhaps it is not considered to be absolutely clear. It seems to me that it makes better sense to put it before the House and have it debated and voted upon, because that would be the better way to approach it. Those are my three points on the matter.

Mr. Deputy Speaker: Are there any other hon. members who wish to be recognized on the point of order with regard to Motion No. 54? If not, the Chair will defer decision on the matter and we will resume debate on Motion No. 4.

Mr. Deans: May I rise on a further point of order?

Mr. Deputy Speaker: The hon. member for Hamilton Mountain on the same point of order or another point of order?

Mr. Deans: On a further point of order, if I may. On Motion No. 4, including Motions Nos 51, 52, 53, 55, 56 and 57, we would like to ask whether or not it might be possible to have Motion No. 34 included since it deals primarily with the same subject matter and it has been ruled in order as suitable subject matter for debate at this time.

Mr. Deputy Speaker: Is there unanimous consent of the House to have Motion No. 34 included with the same grouping for both purposes?

Some hon. Members: Agreed.

Mr. Peter Ittinuar (Nunatsiaq) moved:

Motion 34

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended by deleting Clause 49 and substituting the following therefor:

"49. (1) There shall be established in the accounts of Canada a revolving fund to be known as the Environmental Studies Revolving Fund.

(2) The fund shall be under the administrative responsibility of the Minister of the Environment and shall include a sub-fund for each prescribed area of Canada lands.

(3) The fund shall be used to finance studies into the environmental and social aspects of any activity before, during, or after the work has taken place.

(4) (*a*) The minister shall order initial regional, environmental and social studies before any activity is to take place.

(*b*) Where deemed necessary by studies carried out in (4) (a) above, the minister shall order the necessary studies into each activity.

(5) The studies referred to in subsection (4) shall be submitted to appropriate environmental and social impact assessment and review procedures before a decision to proceed is granted under this act or any other act of Parliament.

(6) Following the studies and impact assessment and review procedures referred to in subsections (4) and (5), the Minister of the Environment shall determine whether exploration agreements or production licences shall be granted.

(7) Every effort shall be made by the minister to ensure that persons who may be affected by the proposed activity are notified of the impact assessment and review procedures. Notices of public hearings related to such procedures must be published in *The Canada Gazette*.

(8) The minister shall provide funds, in accordance with regulations to be determined by the governor in council, to public interest groups, representatives of aboriginal peoples and other persons or groups who may be affected by oil or gas activities to allow them to conduct research, prepare submissions for public hearings and otherwise participate in the impact assessment and review procedure.

(9) All reports from the fund shall be public.

(10) There shall be credited to the relevant fund all amounts levied in respect thereof under this section and there shall be charged against the relevant fund all amounts directed to be paid therefrom under this section.

(11) Every party who is an interest holder on the coming into force of this act shall, at the times and in the manner determined by the minister, deposit for payment into the relevant fund an amount based on the rate fixed by the minister for the purposes of this subsection.

(12) The rate to be fixed by the minister under Subsection (11) or (18) shall be based on the area of Canada lands subject to the relevant interest that are situated within the relevant area or prescribed region, regardless of the nature of the interest.

(13) Where an interest owner consists of two or more holders, any levies under this section shall be collected and remitted on behalf of the interest owner by the representative of the interest owner for that purpose.

(14) Every party who, after the coming into force of this act, enters into an exploration agreement under this act shall, at the times and in the manner determined by the minister, deposit for payment into the relevant fund an amount based on a rate that equals the sum of the rates fixed under Subsections (11) and (17) with respect to the relevant fund.

(15) No interest holder is liable to make payments into the relevant fund under both Subsections (11) and (14) in respect of the same Canada lands unless those lands were Crown reserve lands in the period between the making of payment under Subsection (11) and the entering into of the exploration agreement referred to in Subsection (14).

(16) The minister may direct payment from the relevant fund of the reasonable costs of such environmental studies relating to the area or prescribed region subject to the relevant fund as the minister determines are necessary, after consulting with the relevant advisory committee established for such prescribed region under Subsection (22).

(17) The rate referred to Subsection (11) shall be fixed by the minister in such a manner that, as far as possible, the payments into the relevant fund under that subsection do not, in the aggregate, result in there being an amount in the revolving fund established under Subsection (1) that exceeds the total amount fixed under Subsection (21).

(18) Where the amount of the relevant fund falls below one-half of the total amount fixed under Subsection (21), every interest owner who has made a payment into the relevant fund under Subsection (11) or (14) shall, at the times and in the manner determined by the minister, deposit for payment into the relevant fund an amount based on the rate fixed by the minister for the purposes of this subsection.

(19) On January 1st of each year the minister shall adjust the fund to reflect the rate of inflation and shall assess, according to Subsection (11), a rate to bring the fund back up to the amount set out in Subsection (21).

(20) The minister shall, when fixing the rate referred to in Subsection (11), as far as possible, ensure that the amount does not exceed the limit placed on the fund in Subsection (21).

(21) The fund shall not exceed 100 million dollars.

(22) Advisory committees shall be established for the prescribed regions by the minister to advise the minister on all matters relevant to this section save for Subsection (23), and such committees shall include representatives from the oil and gas industry, public interest groups, aboriginal peoples and other persons or groups who may be affected by oil and gas activities in such regions.

(23) The Government of Canada is committed to enter forthwith into discussions with the aboriginal peoples of Canada, who may be affected by resource development activities in Canada lands, on:

(*a*) appropriate environmental and social impact assessment procedures and other protections regarding Canada lands and the inhabitants thereof, particularly aboriginal peoples; and

(*b*) appropriate legislation to be recommended by the Government of Canada in order to implement the matters agreed to under this section.

(24) The governor in council may make regulations for the following matters:

(*a*) designation of prescribed areas referred to in Subsection (2);

(*b*) preparation and submission of environmental and social studies;

(*c*) rules respecting the environmental and social impact assessment and review procedures;

(*d*) eligibility and other requirements for funding of such persons or groups referred to in Subsection (8);

(*e*) administration and operation of the Environmental Studies Revolving Fund; and

(*f*) creation of advisory committees referred to in Subsection (22).

(25) The minister shall report annually to Parliament on the operations of this section."

Mr. Deputy Speaker: There will be a modification to include Motion No. 34 in the grouping of the clauses for the proposed purposes.

Mr. McMillan: Mr. Speaker, yesterday, at the end of the day, I was half way through my speech on what were then seven environmental motions which would amend Bill C-48 at the report stage of Parliament's deliberation on the legislation. With Your Honour's indulgence, with the remaining time, I now wish to complete my remarks. All of those motions relate to Clause 80 of Bill C-48, concerning oil-spill type pollution from resource activities on Crown lands and standards for compensation to parties hurt by it. Motion No. 4, as I understand it, would actually amend Clause 2, not Clause 80, by adding a definition of "spill". The proposed definition would, I think, helpfully broaden what is considered a violation of the environment under the legislation.

● (1600)

Motion No. 51 would remove any distinction between an authorized and an unauthorized spill for the purpose of, for example, awarding damages to an offended party. To my mind, Motion No. 51 makes a lot of sense on the grounds that pollution is pollution whether the source is authorized or not. Moreover, damage to either the general environment or to a party's property is no less severe just because the cause is authorized.

My party and I welcome Motion No. 52, which would require that the proper authority be informed beforehand of any authorized pollution, and that the same authority, in turn, give immediate notice to the aboriginal peoples and others who may be harmed by the discharge. Perhaps such requirements will, for example, help the native peoples protect themselves against pollution from activities at their back door. At the very least, if I may say, these people will know what is being done to their habitat in the face of resource development in their area.

Motion No. 53 substantially clarifies the liability of anyone who has violated the environment under the terms of the bill. It does so by specifying that compensation must be paid when pollution impairs, for example, one's source of income through loss not only of personal property but also of the natural environment from which the income is produced. To my mind, this motion would make the bill much more sensitive to the particular circumstances of native peoples, who are often hurt more by the indirect effects of pollution than by its direct impact on their personal property. In my view, in the view of my party and I think in the view of others in the House, compensation should be paid in either instance.

I must confess that the import of the minor amendment—I think it is minor—proposed by the Minister of Energy in Motion No. 55 escapes me, so I shall reserve judgment until a fuller explanation is provided, perhaps by the parliamentary secretary who was in the House a few moments ago and who no doubt will be speaking later.

Certainly Motion No. 56 has my full support, for it rightly seeks to recognize in the bill itself that damage to the environment often becomes discernible long after the actual offence has been committed. Thus, any time limit on when a claim for compensation may be instituted must be sensitive to such situations. At present, Bill C-48 does not reflect that reality. I welcome Motion No. 56 because it attempts to redress the problem.

Motion No. 57 would require the minister to launch a public inquiry into any activity that violates the environment by the standards of the bill. As the legislation stands, the minister may initiate an inquiry, and I stress the words "may initiate". But he is not required to do so. In my view, the minister should be required to do so under specified conditions.

We have dealt with Motion No. 54 and I have expressed myself on that question. I regret that it was not included in the original grouping of the motions under debate now. Let me stress that the Canadian Arctic Resources Committee was very much in favour of the idea behind Motion No. 54. I think the motion as expressed and moved reflects pretty well the import of the representation made vigorously by CARC and it certainly reflects something of my own thinking on the question.

If I may conclude, the bill before us at the report stage will govern the way in which some $300 billion will be spent on the exploitation of energy resources on Crown lands in the next decade alone. Some $300 billion will be spent in the next ten years, but trillions of dollars will be spent by the end of the century. It is clear that the government intends to have only a tiny proportion of such large amounts devoted to the protection of the environment. That will be of as much concern to the Minister of the Environment (Mr. Roberts) as it is to me.

Worse still is the government's decision to perpetuate in Bill C-48 its habit of entrusting environmental responsibilities, not to the Minister of the Environment, who I see in the House today, but rather to ministers whose principal preoccupation and mandate are the promotion of resource activities that pose the greatest threat to the environment. The resultant conflict of interest is so apparent that one is hard pressed not to assume it constitutes a deliberate effort on the part of the government to undermine the role and responsibilities of the Minister of the Environment himself.

If we do anything else today and in subsequent days in the context of these motions, it should be to redress that very serious problem which I think is more fundamental than the specific problems addressed in the motions themselves being discussed this afternoon.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take the opportunity, with the regrouping of these motions together, to say a few words to the House about this particular bill. As hon. members know, I have taken every opportunity to describe and defend this bill both here in the House, privately with members of the House of Commons and with members of the committee, before whom I have appeared several times during the first part of this year. I think hon. members will testify that I have invited constructive proposals on every occasion and in every forum and I have considered the views tendered most carefully. In this regard, it is worth remembering that suggestions were made by some 140 witnesses who appeared before the parliamentary committee.

Mr. Waddell: Mr. Speaker, I rise on a point of order. As I understand the rules, the minister is not to give a speech on what he has or has not done on this bill, or on what the committee has done. We are debating these particular motions. He should address his speech to these motions. These are motions and proposals before the House and he should debate them.

Mr. Lalonde: Mr. Speaker, I am amazed to hear that kind of comment from my friend in the New Democratic Party. While I have barely said a few words about the motions before us, I think it is important to put the situation in perspective. I invite my hon. friend to show some patience. He will find that I am going to say a few words about the specific motions he is talking about. In the event the hon. member has forgotten already, I thought it important to remind him that we have had very extensive debates on this particular bill. We have heard 140 witnesses. A large number of amendments have been proposed by the government, by the Conservatives and by the New Democratic Party. A good number of these amendments not only were considered but also were adopted by the committee. In that respect, I think I have certainly exercised my responsibilities to maintain the coherency and consistency of the legislation.

Bill C-48 is an important part, but it is only part, of a comprehensive program that is designed to protect Canadians from the dangerous and volatile energy crisis prevailing in almost every country in the world. As such, it is indeed a fundamental element of our energy program and policy.

• (1610)

The programs now before the House deal with the important questions of protecting the environment from oil and gas exploration and development. My colleague the Minister of Indian Affairs and Northern Development (Mr. Munro) and I have pledged to develop northern resources in harmony with the aspirations of aboriginal peoples and local territorial officials with due regard for the fragile northern environment.

Mr. Waddell: Nonsense!

Mr. Lalonde: I expect the Minister of Indian Affairs and Northern Development to be able to address this issue tomorrow and I hope that the hon. member opposite from the New Democratic Party who is interrupting—

Mr. Waddell: It is complete nonsense.

Mr. Lalonde: —and who is talking through his hat again, will be here tomorrow to listen to what my colleague has to say rather than shooting off his mouth as he is tending to do today.

The provisions of this bill allow millions of dollars to be devoted to environmental studies involving local inhabitants in planning their own collective future.

Other provisions of this bill—

Mr. Waddell: It is going to be all done in Ottawa.

Mr. Lalonde: —will strengthen the already rigorous regulatory powers of the Oil and Gas Production and Conservation Act. I would like to remind hon. members that hundreds of wells have been drilled in Canada's frontier over the past two decades without one single instance of environmental mishap. Our experience and expertise ensures that such mishaps will be avoided by all practical methods of effective regulation and supervision.

My partner in this bill, the Minister of Indian Affairs and Northern Development—

Mr. Waddell: Silent partner!

Mr. Lalonde: —will be collaborating closely with the Minister of the Environment (Mr. Roberts) and the Minister of Fisheries and Oceans (Mr. LeBlanc) on ecological matters. I will resist members opposite who attempt to fracture and fragment authority further by having groups of ministers responsible for different provisions of this bill. The Minister of Indian Affairs and Northern Development in particular must retain the undivided authority to balance the various diverse interests of the north. I fully endorse this view and expect to do the same as far as exploration and development below 60 degrees is concerned.

If we want this administration to proceed effectively, we must have one minister in charge of and responsible to Parliament for implementation of various aspects of the legislation. The public has to be able to identify a minister who is responsible for all aspects which are covered in the bill before us.

Mr. Waddell: Nonsense!

Mr. Lalonde: I do not know, Mr. Speaker, what has happened to the hon. member for Vancouver-Kingsway (Mr. Waddell) during the summer, but he certainly seems to have been struck by a strange disease, perhaps called babbling disease!

Mr. Waddell: It is just nonsense you are spouting. It is complete nonsense.

Mr. Lalonde: I think the hon. member might take a little time—

Mr. Waddell: You have taken all the power unto yourself. Roberts has gone.

Mr. Lalonde: —to cool off. I suggest he get a glass of water and cools off before coming back.

Despite the excellent environmental record of the government and regardless of the strict environmental provisions in this and other legislation, an oil or gas spill remains a possible occurrence. Should such a thing occur, the government has made available two methods for prompt and sympathetic compensation. First, we have preserved the ability of claimants to use the existing judicial channels which have always been their right. That will continue to be their right if this is what they prefer.

Second, the minister will hold what I would call blank cheques from oil and gas operators which can be drawn to compensate claimants without proof of fault or negligence. This means that claimants will have two avenues open to them, one, the judicial process, the other a direct claim to the minister who will be in the position to compensate those claimants without such claimants having to prove fault or negligence by the operator.

This step, in particular, represents a very considerable improvement over the previous situation and should any accident occur, people in the north or people concerned with offshore development will find themselves with two avenues to follow whereby they can be rapidly and fully compensated for any damage they may sustain.

While there remains a number of other important provisions to protect the environment, the environmental studies and the virtually unlimited compensation provisions are worthy of support by all three political parties in this House.

[*Translation*]

Mr. Speaker, this legislation and these motions which we are considering in the House today are legislative measures of extreme importance aimed at guaranteeing that the oil development in the Canada lands, that is to say in the Arctic and offshore, will be carried out in an orderly fashion to ensure the environmental protection, which is of great concern to this government. This bill, in particular, provides a mechanism whereby the citizens will have the possibility of obtaining compensation should they suffer some damage as a result of oil exploration in particular. They will have the option of filing claims either before the courts or directly with the minister and they will be paid a compensation with funds which will be supplied by the oil companies. This will enable offshore fishermen for instance, to get compensation quickly and without even having to prove that the operator was at fault or negligent.

In addition, the legislation we are studying today is a basic component of the energy policy of Canada since it will provide for orderly development, as I said, in the petroleum sector, but it will also ensure that Canadians will be able to enjoy much greater control over their resources and much greater ownership of future development. Indeed this legislation provides that any development must be owned and controlled, at least up to 50 per cent, by Canadians. I know that several members want to speak on this subject and I have no intention of unduly extending the debate.

[*English*]

I note that over 30 members spoke on Motion No. 3 only and this is only one of 57 motions that we have to consider. I urge hon. members opposite to give careful but speedy consideration to this bill. This bill has been extensively considered and debated. In fact, for ten years this issue has been debated without resulting in legislation. We now have agreement with the provinces of Alberta and British Columbia. We are in negotiation with the province of Saskatchewan. We are in negotiation concerning offshore resources with the Atlantic provinces. As far as the industry is concerned, it now has certainty as to the price it can expect for any discovery it will make and the price it can expect for the products it will discover.

• (1620)

Conditions are now adequate for development taking place on Canadian lands. We need those resources. We are proposing a bill which ensures that this development will take place with full respect for the highest concerns in the area of the environment. I urge hon. members to support this bill and adopt it so that we can get on with the job and ensure that the people of the north and the people of the Atlantic provinces benefit soon from the developments they wish to see take place in this regard. The developments will benefit not just the people of the north but all the people of Canada.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, it is always a pleasure to speak in a debate in the House which concerns the north, however meaningless that debate may be in terms of substantive changes to the bill in question.

When I spoke in the House in December, I expressed some anxiety that northerners would be forced to pay all of the environmental costs of the non-renewable resource development which this bill intends to accelerate and that they would receive none of the benefits that the Minister of Energy, Mines and Resources (Mr. Lalonde) intimates. I will talk about their concerns later in this debate in connection with the motions in question.

I would like first of all to talk specifically about the environmental aspects of this bill which affect northern people. My colleague the hon. member for Skeena (Mr. Fulton) has already discussed the general inadequacies of the environmental regime proposed by this legislation. As far as northerners are concerned, the proposed amendments represent an absolute minimum of what is required to protect that land from irreparable environmental damage.

We have a large economic stake in the preservation of our environment and, on principle, should have much more input into environmental decisions affecting us. I do not think the Minister of Energy, Mines and Resources has ever really consulted people from the north in this regard.

I will address each of these motions individually. Motion No. 4 concerns the definition of an oil spill as "100 litres or more of oil or other foreign substance". This amendment is very important to northerners, as a huge oil spill would have disastrous consequences, as most hon. members know. That is obvious, but chronic dumping of small amounts can be just as damaging to the ecologically sensitive Arctic waters. Northern hunters and fishermen must be protected against gradual destruction of their source of livelihood. It does not matter whether marine fish and mammals are killed slowly or all at once; the result is the same and equally destructive to the traditional northern economy.

Motion No. 51 concerns compensation for authorized as well as unauthorized spills. There are two important principles at stake here which must be protected. One is that those who suffer the economic and social costs of environmental pollution must always be eligible for appropriate forms of compensation. The other principle is that those who cause such pollution must always be held responsible for their actions.

As the bill stands, people affected by oil spills fortunate enough to have the blessing of the government would not be eligible for such compensation. We think this is wrong. It will not matter to the people in the area of a spill if the pollution has government approval. The effect on the environment and on people's lives will be the same. To free the government from any liability in such cases, therefore, will be to deny people who are affected their basic rights. I urge my fellow members, therefore, to support our motion and thereby prevent the government from applying a double standard to the issue of compensation. And, I repeat, it does not matter whether oil spills are authorized or not. What matters is that people's rights to be compensated for the effects of environmental pollution must always be maintained without exception.

Motion No. 52 also concerns provisions for compensating spills. Specifically, it requires that authorized and unauthorized spills be reported to the chief conservation officer and that he in turn notify the peoples affected. In many ways this motion is a follow-up to the one I have just been discussing, since it tries to put into practice some of the principles I have already mentioned. If we agree that people should always have the right to be compensated for damage done to the environment on which their lives may depend, then it seems only reasonable that we also grant those people the right to know about the causes of that damage. In other words, if we grant them the right to claim damages, we must ensure that information about the sources of pollution is made available to them. Compensation provisions for peoples in the current bill may prove meaningless in many instances if reasonable notice of such spills is not given to the people who may be affected.

It should not be left to the aboriginal peoples to piece together, after the fact, where and when oil spills have occurred and who should be held responsible. To make the provisions for compensation effective the northern peoples will need ready access to information on the nature and source of any oil spills which may have affected their environment. It should be the responsibility of the government to see that this type of information is collected and made available to those people. The proposed Subsection 19(4) is designed to ensure that information on all types of oil spills is acquired by the

chief conservation officer. This would include both authorized and unauthorized spills.

The proposed Subsection 19(5) is intended to guarantee that information about all types of oil spills is communicated to those peoples who may be affected so that they may begin the process of obtaining appropriate compensation without undue delay.

Motion No. 53 refers to kinds of damages for which people may claim compensation. From the point of view of my constituents the bill as it stands is far too narrow in scope, which is something—if I may have the attention of the minister for a moment—I have not been able to communicate to the minister and his colleagues. It means that aboriginal peoples cannot claim for loss of their future incomes if these have been reduced by the effects of pollution. Furthermore, it means that people cannot claim for damages to property which is not privately owned. For instance, if a walrus herd or a fish run is seriously affected by an oil spill, then the people whose livelihood depends on them cannot seek compensation for the loss they suffer.

In this regard the people of the north are not even getting the same deal as east coast and west coast fishermen who, under Section 746 of the Canada Shipping Act, are allowed to recover for loss of income, including future income, resulting from damage to the fish stocks caused by pollution, even though their fish are not in privately owned water. And they are not getting the same deal as the aboriginal peoples in Alaska, who are eligible to receive compensation for any and all damage done to the lands "structures, fish, wildlife or other biotic of natural resources upon which they rely". This is a provision of the trans-Alaska pipeline authorization act of 1973.

The purpose of our proposed Section 19.2, therefore, is to ensure that people can receive compensation for all types of possible losses caused by oil spills and other types of pollution. This will include individual and collective losses as well as the loss of future income.

I would like to emphasize that the proposed amendment to Clause 49 of this bill does not ensure the adequate environmental protection which is urgently required for Canada lands. They are merely interim measures until a comprehensive regime can be put into place through appropriate legislation, which I advise the Minister of the Environment (Mr. Roberts) to introduce.

I note that Motion No. 34 has now been included in this group of motions, and I will speak to it. Motion No. 34 concerns one of the key environmental provisions of this bill. It deals with the environmental studies revolving fund. Bill C-48 as it is presently drafted divides the fund into two, giving discretionary power to both the Ministry of Energy, Mines and Resources and the Ministry of Indian Affairs and Northern Development. Our motion calls for the establishment of a single fund under the Ministry of the Environment. Perhaps those two can start fighting.

While we see the value of government involvement in the resource sector, it is imperative that the government remove discretion on environmental studies from the departments which have the greatest interest in advancing the pace of development, namely, the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development.

• (1630)

The amendments proposed in Motion No. 34 are based on the following principles. First, it must be clearly indicated that social as well as environmental considerations are covered by Clause 49 of this bill. Second, environmental and social studies and procedures in relation to Canada lands must be under the jurisdiction of the Minister of the Environment.

Proper environmental and social impact assessment and review procedures must be established. The present federal Environmental Assessment Review Process—EARP—is totally inadequate. The new procedures need not be established under Bill C-48, but the bill should at least contemplate such procedures as an integral part of the decision-making process.

Persons or groups directly affected by oil and gas activities under the act must be funded so as to enable them to participate effectively in the relevant environmental and social studies, public hearings and impact assessment procedures.

Interest holders, that is the oil and gas producers, should bear the cost of funding the environmental studies revolving fund and should fund, at least in part, those persons or groups affected by oil and gas activities in a prescribed region of Canada lands.

Advisory committees comprised of representatives from the oil and gas industry, public interest groups, aboriginal peoples and other groups or persons directly affected by oil and gas activities should be established from the prescribed regions within Canada lands.

Subclause (23)(a) of Clause 49 commits the government to discussions on environmental and social impact procedures. Considering the enormous impact of accelerated resource development in the north, it seems incredible that there is no legislated environmental impact assessment process in place. I advise the Minister of the Environment to get started on that. A comprehensive review of the existing procedures for assessing environmental and social impact is imperative in order to mitigate the negative effects of development in the north.

In the National Energy Program, the minister has stated that "our energy options are wide enough to preclude any sudden rush to energy choices that may compromise our social and environmental goals". His statement was a reaffirmation of the government's responsibility to inhabitants of the north and "the preservation of the peculiar ecological balance that now exists in water, ice and land areas in the Canadian Arctic". The government should demonstrate some consistency between what it says and what it does. Discussion of the environmental and social impact procedures is crucial to sound and responsible planning for northern development.

Subsection (23)(b) of our amendment in Motion No. 34 foresees the drafting of appropriate legislation following discussion of social and environmental impact procedures proposed in (23)(a). A precedent for such provisions is found in Section 2.5 of the James Bay and Northern Quebec Agreement. Sincere discussions should lead to enlightened legislation on these matters.

Madam Speaker has suggested that Motion No. 54 is inadmissible. That is really unfortunate because for native northerners some sort of mechanism which would help them to obtain compensation without having to resort to costly court procedures would be most welcome.

Bill C-48 as it is presently drafted limits claims of liability to two years after the damage has occurred. This does not make much sense considering that some damages to the ecology are not immediately evident. The amendment suggested by the hon. member for Skeena in Motion No. 56 is much more reasonable in limiting the time for claims to two years after the damage costs or expenses occurred or became evident to the claimant.

If oil and gas activities in Canada lands results in death or injury or danger to public safety or the environment, we feel that the public has a right to know the facts. A public inquiry in these cases should be mandatory and not left to ministerial discretion.

I would like to conclude by repeating what should have already been made obvious over the past six months. Northerners are not happy with Bill C-48, with perhaps the exception of my hon. friend from Western Arctic (Mr. Nickerson). They were not consulted on the contents of the bill before it was introduced and they have legitimate fears about accelerated oil and gas activity on their lands. They will shoulder the burden of the serious and inevitable negative consequences of exploration and development and they still have no guarantee that they will have any of the benefits.

Environmental protection is one of the northerner's deepest concerns because when boom-and-bust non-renewable resource development has passed them by and when southern resource developers have abandoned their operations taking the resources and profits with them, northerners will still have to find a way to make a living from a scarred and radically altered land. Therefore, as the bill stands, without any of these amendments it cannot be supported.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is a privilege to stand today and speak on Bill C-48, particularly Motions Nos. 4, 51, 52, 53, 55, 56, 57 and now No. 34, all dealing with the environment. I put forth the proposition that the window dressing it gives to the protection of the environment is just that.

I would like to refer to the remarks of the minister who spoke just a few moments ago. He said that the government had spent a great deal of time describing and defending the bill. I agree. That is exactly what the government has done, resisting at every opportunity concrete suggestions as to where the bill could be improved.

It is important to put the bill into perspective. To do this, we have to go back a bit in history, actually to the time of confederation in 1867. Under the terms of confederation, Quebec, Ontario, New Brunswick and Nova Scotia formed the confederation of Canada. Each province brought in its resources and the control over those resources.

In 1870 the three prairie provinces were transferred from a trapping and trading preserve of the Hudson's Bay Company. That took in virtually the rest of Canada except British Columbia. Those three prairie provinces became virtually a colony of the new confederation. That was not dissimilar to what is happening today with the ten provinces and it is not unlike the position the Yukon and Northwest Territories find themselves in today.

I would like to zero in on 1870, at which time Manitoba was declared a province. However, it was still de facto a colony because it could not control or own its natural resources. That was a direct result of the Riel rebellion. It does not take much to know exactly what happened at the time of the Riel rebellion.

When development of the resources was taking place, the people within that area had absolutely no say as to how they would be developed or how the environment would be protected. There was no consultation other than window dressing. We have a repeat of that in Bill C-48, particularly as it relates to the amendments under discussion and to the Yukon and Northwest Territories.

● (1640)

I have discussed this a number of times. I have discussed these amendments with my colleague, the member for the Western Arctic (Mr. Nickerson). There is dissension, there is upset in the Northwest Territories and the Yukon, because we are, in fact, repeating history and treating the citizens of the Northwest Territories, be they Inuit, be they treaty Indian, be they Métis, be they white, in exactly the same way as the federal government in pre-1870 treated the province of Manitoba, and again in 1905 in the way Alberta and Saskatchewan were treated. Alberta and Saskatchewan were carved out of the colonial territories and called provinces.

We all know that the Northwest Territories and the Yukon are some day going to want to be classed as provinces, to be brought into this great country of ours as equal partners. Now is the time to start treating them that way. It was all done in 1905. The confederation of provinces at that time in 1905, when Alberta and Saskatchewan were carved out, kept the resources, if you look back to the wording, for the purposes of Canada. That is exactly what is happening today with the Northwest Territories and the Yukon. We are going to develop the resources in the Yukon and the Northwest Territories; we are going to look after all the environmental aspects; we are going to look after the rate of development. We are going to look after all those things for the good of Canada. It is all going to be done from Ottawa.

It is important to put things in perspective, as the Minister of Energy, Mines and Resources (Mr. Lalonde) said earlier. I

did not get all the quote, but I think I have the gist of his argument. He said 140 witnesses appeared before the committee. How many of those 140 did the minister, the Department of Energy, Mines and Resources or the bureaucrats in the Department of Energy, Mines and Resources actually listen to? Not one, to my knowledge. Where did the submissions go? I do not know. They did not appear in Bill C-48. Where were the native people? Where were the Inuit? Where were the northerners?

An hon. Member: Where were the Tories?

Mr. Shields: Where were the NDP?

An hon. Member: Where were the Tories when we voted to go up there?

Mr. Shields: Why did we not meet in the north on the home ground of the people of the Northwest Territories and Yukon, as was proposed?

An hon. Member: Because you sold out.

Mr. Shields: It was within the minister's power to do exactly that: to allow the committee to travel. The request was made; the request was denied. How do hon. members think the residents of the Northwest Territories and the Yukon feel when there is absolutely no consultation, or at best a very small window-dressing type of consultation?

The minister says that we will develop the north in harmony with the aboriginal people. How does he know it will be in harmony with the aboriginal people if he will not sit down and discuss it on their home grounds? How is it going to affect their way of life? It is going to have a dramatic effect, we all know that.

I live in the town of Fort McMurray. When I first moved there 17 years ago it was a very quiet community of somewhere around 3,000 people. Because of an impending megaproject development, the Great Canadian Oil Sands at that time, the government of the province of Alberta decided in that day to class it as a new town and to administer that new town from the city of Edmonton, from the seat of government in the province of Alberta. This is some 300 miles south of the town of Fort McMurray.

They came in with their experts from Edmonton and said, "We are going to develop your town. We are going to develop the area. We are going to be conscious of the environment. We are going to preserve your natural resources. We are going to make this a model community." We had experts; they were in the form of old-timers who had been born there or had lived there for some 30, 40 or 50 years. They were old-timers like Clare Peden, Walter Hill, Alwyn Tolen, Andy Gaudet, Mac McCormick and Alice Haxton. They were not consulted, or if they were it was window-dressing type consultation. It was not until the people in Fort McMurray decided, in their wisdom, that they were going to control their own destiny, that they were going to be taken off new town status, that they were not going to let the government control the development in the community, that the community actually started to develop in the way that the people in Fort McMurray wanted to develop it.

I relate this only because it is exactly the same situation we are facing here today. Ministerial discretion in Bill C-48, particularly as it relates to the environment, is absolutely scary. The minister says that he is going to collaborate with the Minister of the Environment (Mr. Roberts); he will collaborate with the Minister of Fisheries and Oceans (Mr. LeBlanc). He says, and I quote, "I will not have the authority given to other ministers that rightfully belongs to me". In other words, the minister of energy is going to become a superminister: "I am going to develop the north; I am going to do it in my way; I will consult once in a while with the minister of fisheries; I will talk to the Minister of the Environment. But it is me; I am going to take the responsibility. I will not have the authority given to the other ministers that rightfully belongs to me."

I say to the minister, Mr. Speaker, that the authority does not belong to him. The authority belongs to the people of Canada. The authority belongs to the people in the Northwest Territories. The authority for development belongs to the people in the Yukon. But true to the Liberal way of doing things—"Just watch me!" That is what we keep getting.

I go back to the minister's first statement where he said, "We spent a long time describing and defending this bill, pounding away." Then he has the audacity to come into the House and say that we have been talking about this for quite a long time and we should get it out of the House. We will get it out of the House, Mr. Minister, through you, Mr. Speaker. I suggest we will get it out of the House if he will for once listen to what the amendments say and realize what they do.

We do not wish to see the power that the minister wants for himself placed all in one hand. We would like to see this set up in a way that would be more equitable. We want to see more involvement of the residents of the Northwest Territories and the Yukon. The minister said that there is compensation and that we could go through judicial channels, knowing darn well that judicial channels can take five or ten years before things can be settled. Then when the settlement is reached, the man who uses judicial channels finds a good portion of his settlement is eaten up by lawyers' fees. Surely we have enough foresight to see some of the problems that will arise. Surely we should set up a board which will judge fairly.

● (1650)

The minister controls the great giant, PetroCan. If a claim is made against this company, the minister hears his executives—and of course some of the executives of PetroCan are even on his own staff—telling him one thing and then he is supposed to sit there and judge and say, "Yes, you have a claim against PetroCan; we will pay it." Surely it is ludicrous to think that he can sit there and do that. Mind you, he is making himself into a superman. Perhaps he thinks he can do it, but I do not think any man could do it. There are no King Solomons, particularly in the Liberal Party.

The minister referred to the judicial process, and then he went on to say that he will hold blank cheques. He could write a blank cheque to compensate anyone he wants at any time. I say that that has shades of a pork barrel. I clearly see the opportunity of misusing this power, if he has blank cheques and people come in for compensation. I see lots of compensation before elections. Is that truly what the minister wants to be accused of later on? He is putting himself in an intolerable position. I wish the minister would heed the advice we are trying to give him.

The minister went on to say that they would carry on development in an orderly fashion in the north. By whose definition will it be in an orderly fashion? I know, it will be by the minister's definition and by the definition of the bureaucrats in the Department of Energy, Mines and Resources. I should like to suggest that perhaps there is another definition of orderly development, and that is that of the people living in the Northwest Territories and the Yukon. The minister should go and talk with some of the people who have experienced and seen orderly development in places like Cold Lake, Bonnyville and Grand Centre where there have been projects coming in and then not coming in. That is not orderly development. That same thing will happen to the minister and his department. It was not orderly development in Fort McMurray when Great Canadian Oil Sands built their megaproject there. It became considerably more orderly when Syncrude arrived, because the local people had the autonomy to make decisions at that point in time. The local school boards had the autonomy to say that they would build schools. The local hospital boards also had autonomy. If they had to wait, as they did previously with Great Canadian Oil Sands, for a government only three hundred miles away to make the decisions, the experts and the bureaucrats could not make them. I suggest that the experts, the bureaucrats and the minister cannot make decisions for the people in the Northwest Territories and the Yukon. I urge the government to give consideration to the proposed amendments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans' Affairs—Backlog of pension applications; the hon. member for Calgary West (Mr. Hawkes)—Manpower—Request that minister meet with women's outreach groups; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—VIA Rail—Request that standing committee consider matter of passenger train abandonment.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 34 (Mr. Ittinuar), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton) and 57 (Mr. Fulton).

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, the tragedy of Bill C-48 is being demonstrated in the debate today, that is, its effect upon the environment. We have an area which is equivalent to, or possibly larger than, the United States, but certainly larger than most nations in the world, coming under the Canada Oil and Gas Act.

In dealing with offshore, Arctic and northern resources, the federal government had an opportunity to develop a regime in those areas which would have really considered the people in the north and their desires. It would have given them an opportunity to have some say in how development proceeded and when it proceeded. It would have provided an opportunity to co-ordinate through this act co-operation among several federal government departments and provincial governments. They could have dealt with fisheries and oceans matters and the concerns of the fishermen in regard to this act. They could have had ample co-ordination with the Minister of the Environment (Mr. Roberts) in some of the areas of responsibility on which he should be speaking. Certainly in regard to northern development we would have expected that the Minister of Indian Affairs and Northern Development (Mr. Munro) would have played a large role in drafting legislation which would have a tremendous impact upon northern communities and their resources. But we are dealing with an act which does not involve any co-operation between ministers. We are dealing with a bill which will put massive powers in the hands of one minister who is responsible for no one, except for the massive grab of resources in the north and off our coasts.

We should be aware of why they are in such a desperate rush for the spoils, for the oil and gas in the north and off our coasts. This is the responsibility of the government; it lies right on its head. Because of its economic and energy policies of the past, Canada finds itself in the position of a net importer of energy, dependent upon foreign oil for supplies to eastern Canada in particular. It was a policy of selling out resources in the 1950s, 1960s and early 1970s at very low prices to any buyers, without any idea of the long-term needs of Canadians in the main centres in the south or certainly any consideration of what the massive energy projects at this time would mean in the north and off our coasts. It was a sale of energy at $3 and $4 per barrel for oil to the United States until the 1970s. Then we finally realized that we were becoming short of our own

energy supplies and had to go to foreign markets with exorbitant prices. OPEC prices have led us to a situation where many Canadians are lulled into the position of almost accepting any kind of energy development regardless of where it is, the environmental concerns, the fisheries concerns, or the concerns of the northern community. The minister has no concerns. Certainly he is not listening to those concerns or accepting a policy in this bill to reflect the real concerns people have expressed in committee and in the petitions which have been received, some of which were submitted by constituents of mine.

May I call it five o'clock?

Mr. Deputy Speaker: Order, please. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely private bills, notices of motions for papers and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Motions Nos. 22 and 5 allowed to stand by unanimous consent.

● (1700)

STUDY OF GRAIN TRANSPORT IN WESTERN CANADA

The House resumed from Thursday, October 16, 1980, consideration of the motion of Mr. Herbert:

That an order of the House do issue for a copy of the latest completed study on grain transport in western Canada.

Mr. Deputy Speaker: When the House last debated this motion, the hon. member for Humboldt-Lake Centre (Mr. Althouse) had the floor.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is somewhat ironic that by tomorrow it will be one year since we engaged in this debate. We spent one hour talking about the motion of the hon. member for Vaudreuil (Mr. Herbert), on October 16, 1980. It seems doubly ironic because the motion asks that a report be made public that was, in effect, already public, but was not available to the House of Commons when all farm leaders and anyone interested in the grain business had easy access to it.

I was about halfway through my comments on the report and the comments that had accompanied it when we were interrupted almost one year ago. You may recall—although I doubt that most hon. members will—that we were discussing various problems in the transportation and movement of grain from country points to the point of unloading into ocean shipping. I had pointed out that most of the recommendations of the report were either well in hand or work was going on toward them. We had gone through improvements to the country elevator system, improvements that needed to be made with regard to co-ordination on the railroad and improvements in allocating grain.

One aspect of the report has not been completely put into place in this regard and that is basically the proposal in the Booz-Allen report to start paper pooling of rapeseed. Paper pooling has gone on with all other western grains for a good number of years. It is simply a matter of making certain that the grain that is picked up from the various elevator companies is allocated to their terminals at the other end in approximately the same ratio as it was unloaded from the elevators in the country. No one loses any grain in this way. There is the advantage of not breaking up trains into 15 or 20 pieces so that a Pioneer elevator car goes to the Pioneer terminal while three other cars go to the Saskpool terminal and seven go to the United Grain Growers terminal. Instead, the whole thing would be dumped in one terminal. They would simply keep track of how much of each grade and variety goes into the terminals and at the end of the week or month they would try to unload the trains in such a way that the amounts of grain shipped would coincide with the amounts of grain received.

That kind of agreement has not yet been worked out for rapeseed. This means extra breaking up of trains and extra time taken at the seaports because companies insist on having their own carloads of grain unloaded at their own terminal instead of working the thing out on paper.

Aside from that, most of the other recommendations of the Booz-Allen report are well in hand. I was somewhat surprised to hear the hon. member who raised the question in the first place—an issue that is now two and a half years old—direct most of his remarks to the Crow rate and the problems he thought it was causing for the railroads. I was surprised, not because I did not expect that kind of comment from the government side, but because the Booz-Allen inquiry was specifically instructed not to deal with that issue and it did not. I was surprised that the bulk of the discussion from the government side seemed to revolve around the Crow rate. It seems to me that the real reason for introducing this motion is not to gain access to a document that is, in effect, public but is, once again, to provide an opportunity to make comments about the Crow rate.

I think the understanding of the Crow rate is not as complete in eastern Canada as it might be. Without going through the history of it, I would like to point out what a present day move away from the Crow rate would do to the agricultural industry in western Canada. The examples I am going to give today will be from Alberta and this is specifically for the purpose of making the best case possible for the people interested in the Crow rate. Many groups in Alberta are now on the side of those who want to do away with the Crow because they think that in some way it will assist the economy of the province and will particularly assist livestock producers in the province.

I should like to quote from a recent issue of the "Wheat Pool 'Budget' " which is published by the Alberta Wheat Pool. An article in the December 1980 issue reads as follows:

Livestock feeders and other analysts sometimes envisage a much larger cattle and hog feeding industry if statutory rates for moving grain across Canada were eliminated. Impressive figures are often quoted reflecting supposed increase in employment, investment and value added benefits if only the Crow or statutory rate could disappear.

In Alberta . . . If the Crow rate was removed and assuming that the number of cattle fed in Alberta would increase, the economic import could be measured in terms of additional barley consumed and additional packing plant activity.

Let us look at some real numbers now. The article goes on:

If the number of cattle fed increased by 10%, about 6.9 million bushels of barley would be required to feed them. The production of 51 million additional pounds of beef at a margin of $20 per hundredweight—

This was written last Christmas and now there is no margin per hundredweight.

—would provide a net benefit of $10.2 million to the feedlot operators of Alberta. If the number of cattle increased by 25%, an extra 17.2 million bushels of barley would be used and a net benefit of $25.4 million realized.

Remember that figure, Mr. Speaker; a net benefit of $25.4 million. The article goes on:

If statutory rates, however, for grain transportation disappeared, it can be assumed that the price at which feeders buy barley in Alberta would decrease by approximately the increase in the freight rate.

This must be placed in the context of the current situation where approximately 114 million bushels of barley per year are exported from Alberta. The article goes on as follows:

The 42 cents increase would apply on all of this except the additional barley utilized by feeders. In the case of 10% increase in cattle production the higher freight rate would apply on roughly 107,500,000 bushels of barley. With a 25% cattle increase, 97,200,000 bushels would be affected. This would represent a monetary loss to Alberta grain producers of $45 million and $41 million respectively.

It must be remembered that this is being compared with a $25 million gain. To this would also be added the net loss in the value of barley consumed which would amount to a loss of income of almost $60 million. So in order to realize a gain of about $25 million in Alberta, which would be the chief beneficiary of doing away with the Crow rate, farmers would need a loss of $190 million to $200 million annually. That would be the benefit of doing away with the Crow rate, Mr. Speaker! I think the recent announcement by some government ministers on October 9—

• (1710)

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to enter the debate to support the motion made by the hon. member opposite requesting a copy of the latest completed study on grain transport in western Canada. At the outset, I must confess that my interests are not directly related to the matter of western Canadian production of grain and grain movement within that area, but that my interests are of a more general character.

First and foremost is the matter of the flow of information to Members of Parliament, to which we have addressed ourselves on various occasions in this House. We have before us Bill C-43, which provides for access to information of a general character. It is unfortunate that this bill is being held in committee and is not being processed through this House. I can cast blame in the direction of my colleagues to the left in the New Democratic Party who have held that bill in committee day after day, month after month, when the people of Canada and the members of this House could have the benefit and the advantage of the information which ought to flow forward under the bill. This is just one more example: a report which could be requested—indeed, demanded—under proper access to information legislation of the kind proposed in Bill C-43.

Our concern must be broader than the particular information which is now requested to be brought before this House. We must find a general solution to the matter of the free flow of information, not only to members of this House, but to all Canadians who need and desire that kind of information. There should be no difficulty for any member of this House to support the motion, and to support the hon. member in not only requesting but demanding this report and any other information which is necessary to make intelligent assessments not only of grain transportation and production, but a great variety of other matters of interest to members of this House.

The grain industry in Canada is one which suffers from or is exposed to a high degree of government control and regulation. That is another reason for requiring the administrators of those government controls and regulations to make full and complete disclosure of what is happening in terms of the implementation of the regulations and the effect of their administration. I believe that the private sector should be given every encouragement to grow and develop in this country. I believe that it is a part and parcel of the solution to the economic woes of this country to encourage and foster the private sector in its growth and development. But as it happens, for historical reasons the grain industry has been subjected to great government control. We have organizations such as the Canadian Wheat Board, the Canadian Grain Commission and so on, all of which have an element of control over various aspects of the grain industry.

We think of western Canadian grain producers as being affected by this regulation, and we think of eastern millers as being equally affected. But there are a great many other aspects of industrial Canada which are affected by the policies applied to the grain industry in Canada. Of course, my special interest relates to the shipping industry. At first glance, one might not relate the problems of the Canadian shipping industry to this particular subject. But let me tell Your Honour, and let me make it very clear to every member of this House, that the Canadian shipping industry is very much affected by this control and regulation which is applicable to the grain industry.

By way of example, it was stated very recently that there is a threat that the Government of Canada will remove the subsidy payable in respect of the eastward transportation of grain and grain products by rail and shipped to export markets through the port of Halifax, the port of Saint John, and other east coast ports. The removal of this subsidy at this point in time would result in something like a $23 additional expense

per tonne which would eventually have to be paid by the primary producers of the grain. This would also destroy a very important branch of the Canadian east coast shipping industry.

From the port of Halifax alone approximately 400,000 metric tons of grain are shipped to European and export markets. In addition, another 200,000 tonnes of flour are shipped through the port of Halifax to Cuba and beyond. I understand that flour has been purchased by the Russian government for delivery in Cuba. There is a program sponsored by the Government of Canada whereby flour is given to Third World and developing nations as a kind of gift from the Government of Canada. Much of that flour moves through the ports of Halifax and Saint John. Over 600,000 tonnes of product are moving through the port of Halifax. Just to give some idea of the magnitude of the tonne movement of grain alone, in 1980 there were 25 ship landings in the port of Halifax. In terms of revenue, even to the National Harbours Board, that is a considerable sum of money when one realizes that the wharfage charges per vessel amount to several thousand dollars. In addition, of course, there is the employment of stevedores and all the spin-offs which result from that kind of port activity.

Therefore, when the Government of Canada is considering a matter like the subsidy paid on eastern movement through east coast ports of grain and grain products, there is a broad backlash to any change in policy. It is one more piece of evidence showing how so many Canadian industries and so many Canadians are affected by government regulatory policies. Therefore, when the government says that it must cut back on government expenditures, it must recognize that the problem has been created by government involvement in the particular field in the first instance. Thus, it is not a simple matter of the saving of taxpayers' dollars. It is a matter of destroying the whole policy which has been put in place for historic reasons and which has existed for many years.

My concern in this matter of acquiring information on the grain industry and in assessing government policies which affect it and the other related industries, such as the Canadian shipping industry, is that we must be very careful and cautious because the economic result of changes in policy could be quite disastrous. If the port of Halifax, for example, were to lose that kind of grain movement of over 400,000 tonnes of grain and over 200,000 tonnes of flour, it would be a major disaster. It would result in a great deal of direct loss of employment and revenue to the port and to the Canadian shipping industry. It is with that in mind that I concern myself with this subject. But it is also of concern in the search for greater freedom in the distribution of information, not only to members of this House, but to Canadians in general.

On the Atlantic coast, and particularly in the province of Nova Scotia, we are experiencing difficult economic times. The port of Halifax this week has suffered the loss of one of the major shippers, Trans Freight Lines, which compounds the problem which has been created by the removal of Dart container lines to the port of Montreal. This is all involved in and related to policies of the Government of Canada in the transportation field.

I hope that members on the other side can exercise more influence over the policies of the Government of Canada; and hon. members on that side should also remind themselves of their great responsibility in this area. They must assure Canadians that government policies and changes in government policies are not brought about for the benefit of one particular area or region of Canada to the detriment of another area or region of Canada. This is why we stand so often in this House and talk about the energy problem, as my friends from Alberta do, while my colleagues from the east coast talk about other government policies. We are concerned that the Government of Canada does not always recognize the adverse effect of its policies on particular areas of Canada. The east coast is a definite example. Western alienation arises from the improper application of and changes in government policies.

I want to take this opportunity to say to the government that this is one more illustration where the policies affecting grain and grain transportation can result in great harm to an area of Canada affected by changes in government policy. What we need is total disclosure of information and the opportunity to assess those government policies so that all can be assured that the policies are fair to all Canadians.

• (1720)

I would like to yield to some of my other colleagues who want to speak on this subject, particularly the hon. member for Portage-Marquette (Mr. Mayer) who, as a western Canadian, I am sure has great concerns, just as we all do.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I appreciate the opportunity to say a few words on this important subject this afternoon. Grain transportation is very important not only to western Canada but also to all of Canada. It is particularly important now when we have extremely high interest rates, interest rates that many of us feel are not necessary.

One of the reasons we have to suffer high interest rates, we are told, is that we have to attract foreign capital to Canada. It seems to me that rather than borrowing the money and raising interest rates to attract foreign investment, a better way would be to sell the products we are capable of producing in Canada. I would argue very strongly that one of those products is grain. If we can sell grain as well as other such products and if we had the proper kind of transportation system to get those products to export markets, that way would be better than raising interest rates. It would be much healthier for the whole economy. We would be earning dollars. Those dollars would be earned, not borrowed, and would not have to be paid back.

Grain transportation is a subject very important to western Canada, but I think all Canadians would agree that it is a subject of considerable national significance.

The government member who moved this motion is interested in producing a copy of the latest study on grain transporta-

tion. I am sure that all of us would be in favour of more government openness as far as government studies are concerned.

It is interesting to note also that we should have this subject introduced under Motion No. 4 today. It is roughly a year ago today since the co-ordinator Dr. Hugh Horner, of the Grain Transportation Authority, resigned. Since that time the government has not seen fit, nor has it had the courage, the inclination or the interest, to appoint a permanent co-ordinator to replace Dr. Horner. In fact, the Grain Transportation Authority has been without a co-ordinator for longer than it had one. That gives hon. members some idea of the importance which this government attaches to grain transportation in western Canada. As I have pointed out, it is vital and important to the whole country.

Although we are taking some time in the House today to talk about this subject, I learned this afternoon that the Department of Transport is in the process of what I think will amount to the dismantling of the Grain Transportation Authority. I learned today that a study on the effectiveness of the Grain Transportation Authority is to take place, under the direction of Mr. Tony Burgess, a member of the Grains Group. I think it is well known that he was, at best, lukewarm to the idea of a Grain Transportation Authority in the first place. It is obvious to those who have followed the success of the Grain Transportation Authority that someone who will look at it in terms of its effectiveness, who was really not in favour of it in the first place, is less likely to give it a fair hearing.

The Grain Transportation Authority has been in existence for about two years. Half of that time the Grain Transportation Authority has not had a permanent co-ordinator. Instead it has had an acting co-ordinator. If a feasibility study is to take place on the effectiveness of the Grain Transportation Authority, at least it could have been operating under a permanent co-ordinator and not an acting co-ordinator, because I think that is an unfair position in which to put the acting co-ordinator. I think also that the timing of doing an assessment on the Grain Transportation Authority is unfair because it has not been given a fair chance to operate. So I say again that I think it is ironic that the member who moved this motion is a government member. We are more concerned about grain transportation on this side because we have more members from western Canada and are the first ones affected.

Our party would be very much in favour of having all studies inquiring into grain transportation made public. We heard the Minister of Agriculture (Mr. Whelan) announce figures on the embargo payments here two or three months ago. We were told when the embargo payments were made that we would have access to the information which the government used to decide on the level of compensation. We have seen none of those yet. Therefore, in the name of openness and freedom of information, as far as the government is concerned it should make public as many studies as possible. After all, studies are paid for by the taxpayers of Canada, and those Members of Parliament who are concerned with the wellbeing of our constituents should have access to that information to provide it to our constituents.

There are many things I could say on this matter. Grain transportation is a topic worth several days of debate in this House. The Booz-Allen report, which is not mentioned in the motion is, I gather, what the hon. member is referring to when he refers to the "latest study". It is some two or three years old now. Two Snavely reports have been issued as well as several other reports done internally on grain transportation. On several occasions we have tried to get copies of some of the work done by the Grains Group within the Department of Industry, Trade and Commerce, and also Transport to some extent. We have been unsuccessful there. If the hon. member opposite who moved the motion could prevail on some of his colleagues on the government benches to see fit to make more than the Booz-Allen report public, we would all appreciate it and it would be to the betterment of grain transportation in western Canada.

I believe it was the member who moved the motion who spent a good deal of time on the Crow rate. Last summer quite a bit of agreement on a solution to the problems associated with the Crow rate came to pass. The Crow rate is a very complicated and touchy subject as far as many westerners are concerned, but we did see groups who were affected by the Crow in western Canada having come virtually to a consensus. They had agreed on most of the major stumbling blocks, but the Prime Minister (Mr. Trudeau) stepped in and said that unless there was unanimous agreement his government was not prepared to move on a solution to the Crow rate.

At that time it was pointed out to the Prime Minister, and I think it needs to be said again, that it was fine for the Prime Minister to be unilateral as far as the Constitution was concerned, but when it came time to deal with a practical matter, a matter affecting western Canadians' livelihood as well as our ability to feed and clothe our families, immediately we have to be unanimous. I think that was a very sad situation for the Canadian way of doing things which is by consensus. Again I have to find a certain amount of irony in this, although I fully support the intent of the motion as far as making information more freely available, which has been paid for, and gathered by the government.

I know time is getting short. I do not know if any government members wish to speak, but I know that my colleague from Red Deer (Mr. Towers) has some words to say. I would like to yield whatever time is remaining to him if that is possible.

• (1730)

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, I believe that the debate initiated by my colleague for Vaudreuil (Mr. Herbert) is extremely important in view of the fact that it concerns transportation in Canada. As it is directly related to the issue of grain, we are dealing with the two elements which have brought about relatively fast development in this country,

both on a geographic and an economic level, and this to the advantage of all areas of the country since both eastern and western Canada benefit greatly from grain transport. What I found somewhat surprising was the fact that the papers which our colleague requested for examination have already been made public, which means that there was no government restriction to direct access to this information. In any event, I would like to emphasize in this regard that the Department of Transport has done a lot in the last ten years to modernize the Canadian railway system. I was listening earlier to my colleague opposite, who is also a member of the transport committee, and we were able last year to visit various places in Canada and many associations, where several groups made suggestions and comments about the areas where the Canadian government could be much closer to the people with a view to upgrading existing equipment.

I repeat that not only does western Canada benefit from grain transport and not only does central Canada receive all the benefits of agriculture and western grain, but that the east also benefits from it. In this regard, in a very recent report, Harbours Board Canada showed that the quantity of grain shipped from Vancouver has been substantial in the last ten years because of the Canadian railroad network, and that moreover, with the Ridley Island project north of Vancouver, we shall gain one of our most important terminals for grain shipments by 1985. It is therefore quite obvious that the matter raised by my colleague for Vaudreuil affects not only western Canadians and transport itself, but also the economy as a whole. I know that in the last three years, the Canadian government has decided to invest $70 million a year up to a maximum of $700 million to modernize the railway network of Canada. On top of that, the present Minister of Transport (Mr. Pepin) has announced that during the next three years, total expenditures to modernize Canadian railroad equipment will be indexed by 10 per cent, which amounts to $40 million more for the next three years. Three times $70 million give $210 million, plus $40 million, which means $250 million. I therefore believe that the government has demonstrated its will to modernize Canadian railroads. However, in my opinion, the minister cannot be accused of not having requested information from—

Mr. Deputy Speaker: Order, please! I regret to interrupt the hon. member, but pursuant to our Standing Orders, the time allotted to the motion of the hon. member for Vaudreuil has expired.

[*English*]

According to Standing Order 48, a minister of the Crown has the right to a five-minute reply at this point. I see the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) seeking to be recognized. The unanimous consent of the House for him to be recognized in place of the minister would be required. Is there consent?

Mr. Nielsen: Mr. Speaker, does the mover of the motion not have the floor for the first five minutes?

Mr. Deputy Speaker: Standing Order 48(2) is very specific. It states:

> When debate on a motion for the production of papers, under the order "Notices of Motions (Papers)", has taken place for a total time of one hour and thirty minutes, Mr. Speaker shall at that point interrupt the debate, whereupon a minister of the Crown, whether or not such minister has already spoken, may speak for not more than five minutes, following which the mover of the motion may close the debate by speaking for not more than five minutes.

Is there unanimous consent?

Mr. Gordon Towers (Red Deer): Mr. Speaker, since the minister in charge of the Canadian Wheat Board is not a member of this House it has been one of the real problems that we have had to come to grips with in trying to get whatever bits of information we can regarding the movement of grain in western Canada. I question the right of another minister to speak to this motion.

Mr. Deputy Speaker: The order of the House is quite clear. Any minister of the Crown has the right to speak for five minutes at this point. The parliamentary secretary wishes to be recognized. Is there unanimous consent to recognizing the parliamentary secretary?

Mr. Nielsen: We on this side will provide that unanimous consent, Mr. Speaker.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to thank hon. members opposite for giving me this opportunity to reply on behalf of the Minister of Transport (Mr. Pepin). Throughout this debate on a private member's motion there was reference made to the Hall commission report, the Snavely report, and the Booz-Allen report. Many of these reports are highly technical and voluminous. They have been and are still available to anyone requesting them.

The department is prepared to provide a staff person to help give briefing details on the contents of these reports to any hon. members if it would be helpful. The reports have been available for some time. The Booz-Allen report is the latest; it was published in July 1979. Unfortunately, this report was not printed in both official languages. If it is required, the department is prepared to undertake the production of a summary translation of the Booz-Allen report for any hon. member requiring it in the French language.

We want to congratulate the hon. member for Vaudreuil (Mr. Herbert) for having raised this question. Grain transportation is not only a western issue. Central and eastern Canada have a deep vested interest in the health of the grain industry. During the winter months when the Seaway is frozen, an ambitious rail shipping program is undertaken. Grain moves by rail from Thunder Bay to Montreal, Quebec, Saint John and Halifax. Each port has grain elevators and benefits from this transshipment. It is therefore important to note that the hon. member for Vaudreuil has rendered this House a great

service in drawing to our attention the fact that these reports should be made available to all hon. members.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I feel I should make a few remarks at this time to explain, first of all, why I would put such a motion on the Order Paper. As I said in my remarks in October of last year, I noted in the spring of last year that the subsidy on the Crowsnest Pass rates between 1974 and 1977 had increased by some 70 per cent. The variable costs of Canadian National during the same period increased by some 40 per cent, and the variable costs of Canadian Pacific in that same three-year period increased by 62 per cent.

Figures in my possession—I am speaking of the spring of 1980 since the response to the motion is dated April, 1980—show that we could be involved in an expenditure to the consumers, whether it be through taxes or a cost incurred by the two railways, in the order of $1 billion. This is not an objection to the spending of those moneys. I look upon the benefits which are obtained from such subsidies as being a national benefit.

I felt, however, that there is insufficient knowledge, particularly in my part of the country, of the amount that is contributed to help the western farmer. I felt it would be a good thing therefore that any information available to the government should be made public. I therefore asked for an order of the House. I think it important that I read the motion again. It reads:

That an order of the House do issue for a copy of the latest completed study on grain transport in western Canada.

I had no knowledge at that particular time of what the latest study was. It turned out to be the Booz-Allen study which has been made public and was available to the public.

I wish to take the minute remaining to me to talk about our system because it is relevant. A motion is put on the Order Paper in order to ensure that the public at large is not only made aware of a document but has access to it. When a document is tabled, any member of the public has access to that document.

• (1740)

When the response is made in this House, one cannot at that time have any knowledge of what is in the document and, for that matter, one is in the rather embarrassing position of having to request a transfer for debate, because, of course, there has to be an instant response.

Having seen the document, the Booz-Allen report, which was sent to my office, and having referred to it in my remarks on October 16 of 1980, it is abundantly apparent to me that not only has the document been made public but also that it has had a considerable degree of circulation in the public domain. However, I reiterate that the motion referred to the latest study and, until the document was seen, one could not tell what the latest study was.

I should raise one other point. When a document is tabled, presumably one can make some request that it be sent to the appropriate committee for study. I do believe that is important and can only be done after the document has been tabled in the fashion described. Under the circumstances I feel that perhaps there should be a change in our procedures. Perhaps a member should be given at least 24 hours to make the decision on whether a motion should be transferred for debate.

Under the circumstances it would appear to be a futile exercise to go through the procedure of voting on whether we want to have a document which is already tabled and in general circulation. I therefore request the unanimous agreement of this House to withdraw the motion.

Mr. Deputy Speaker: The hon. member has requested unanimous consent to withdraw his motion. Is there unanimous consent?

Hon. Erik Nielsen (Yukon): Ordinarily, Mr. Speaker, it would be my custom to accept the hon. member's assessment that he has seen a copy of the report which he says has been made available to him. I do not know whether that is the latest report of the study he has requested. I have not seen the Booz-Allen report, and there are many hon. members on this side who are in the same position; plus the fact that the motion is in keeping with the government's own stated intention to become freer with information.

I would therefore like to see the report, and I withhold that unanimous consent.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion, which was negatived on the following division:

● (1750)

(Division No. 86)

YEAS

Messrs.

Althouse	Gurbin	Munro (Esquimalt-Saanich)
Anguish	Halliday	Murta
Baker (Nepean-Carleton)	Hargrave	Nickerson
Beatty	Hawkes	Nielsen
Benjamin	Heap	Nystrom
Blaikie	Huntington	Ogle
Blenkarn	Jarvis	Paproski
Bosley	Jewett (Miss)	Parker
Bradley	Keeper	Rae
Broadbent	Kempling	Reid (St. Catharines)
Cardiff	King	Riis
Clark (Yellowhead)	Kushner	Roche
Cook	Lambert	Rose
Cooper	La Salle	Scott (Hamilton-Wentworth)
Corbett	Lawrence	Shields
Crosbie (St. John's West)	Lewis	Siddon
Crosby (Halifax West)	Lewycky	Skelly
Crouse	MacDonald (Miss)	Stevens
Darling	MacKay	Taylor
Deans	Manly	Thomson
Domm	Mayer	Towers
Elzinga	Mazankowski	Wenman
Epp	McCuish	Wilson
Fretz	McDermid	Wise
Fulton	McKenzie	Wright
Gamble	McKinnon	Young
Gilchrist	McKnight	Yurko—84.
	McLean	
	McMillan	
	Miller	

NAYS

Messrs.

Axworthy	Dionne (Northumberland-Miramichi)	Lumley
Bachand	Dubois	MacBain
Baker (Gander-Twillingate)	Dupont	MacEachen
Beauchamp-Niquet (Mrs.)	Dupras	MacGuigan
Bégin (Miss)	Erola (Mrs.)	Mackasey
Berger	Ethier	MacLaren
Blais	Evans	MacLellan
Blaker	Ferguson	Malépart
Bloomfield	Fisher	Maltais
Bockstael	Fleming	Marceau
Bossy	Flis	Massé
Breau	Fox	Masters
Bujold	Francis	McCauley
Burghardt	Garant	McRae
Bussières	Gauthier	Olivier
Caccia	Gimaïel	Ouellet
Campbell (Miss) (South West Nova)	Gingras	Parent
Campbell (Cardigan)	Gourde (Lévis)	Pelletier
Chrétien	Gray	Pepin
Collenette	Guilbault	Peterson
Corbin	Harquail	Pinard
Corriveau	Henderson	Portelance
Cosgrove	Herbert	Prud'homme
Côté (Mrs.)	Johnston	Regan
Cousineau	Kaplan	Roberts
Daudlin	Kelly	Rompkey
De Bané	Lachance	Rooney
de Corneille	Lalonde	Rossi
Demers	Lang	Roy
Deniger	Laniel	Savard
Dingwall	Lapierre	Schroder
Dion	Lapointe (Charlevoix)	Smith
Dionne (Chicoutimi)	Lapointe (Beauce)	Tardif
	LeBlanc	Tessier
		Tobin
		Tousignant
		Turner
		Weatherhead
		Whelan—106.

[*Translation*]

Madam Speaker: I declare the motion lost.

It being past six o'clock, I do now leave the chair until eight o'clock p.m.

At 6.21 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 34 (Mr. Ittinuar), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton), and 57 (Mr. Fulton).

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I should like to continue the comments I started before the dinner hour. At that time I was discussing one of the reasons for the big rush into northern and offshore energy resources. That was basically the sellout of our resources in the 1960s and early 1970s to anybody who would buy them. Now we are in the position where we must, in all haste, it seems, despite environmental concerns, rush into northern and offshore oil drilling, exploration and exploitation.

Much has been said about the silence of the Minister of Indian Affairs and Northern Development (Mr. Munro). I should like to speak about the matter of fisheries now and the silence of the Minister of Fisheries and Oceans (Mr. LeBlanc) which is equal to that of the Minister of Indian Affairs and Northern Development. I would point out that Canada is currently the world's leading fish exporter, selling about $1 billion worth of fish abroad in 1980.

We have rich fishing grounds off both our eastern and western coasts. Landings by east coast fishermen in 1980 were valued at $491 million; landings off the west coast were valued at $174 million. In all, over 76,000 full and part-time fishermen depend on fishing for all or part of their income, as do another 25,000 fish plant workers. The Canadian Labour Council, in its brief to the national resources committee estimated that for every three jobs created in the fishing industry, two more are created elsewhere, and in processing, two jobs are created for each direct processing job.

In my own province of British Columbia, and on the east coast as well, sports fishing is also part of the way of life. It

provides recreation as well as being a revenue source through tourism. As well, the fishery is one of the main supports of the traditional way of life of many coastal native Indian communities. Without the fishery, which has been a part of their lives for many thousands of years, native people in my own riding of Nanaimo-Alberni and elsewhere on Canada's coasts would lose a crucial source of food and employment.

It is simply unbelievable that the Minister of Fisheries and Oceans has not sought greater protection for the many Canadians who need the fishery—protection from possible damage to the marine environment due to the adverse effects of oil spills, well blowouts and other damage. It is unbelievable as well that no provisions are made for adequate compensation in the event of a disasterous spill or blowout. This is particularly hard to believe in light of the knowledge we have gained in recent years about the awful consequences of such environmental emergencies.

In February, 1970, for example, the tanker *Arrow* sank at Chedabucto Bay near Port Hawkesbury, Nova Scotia. About 190 miles of shoreline were contaminated with oil and countless fish and shore birds were killed. It cost Canada $3 million to clean up the mess even though much of the shoreline could not be restored.

In 1978 off the coast of Brittany, the *Amoco Cadiz* went aground. The captain of this Liberian freighter was accused of "gross dereliction" which could not and should not be excused. This did not help the French fishermen, oystermen or lobster farmers whose livelihood was destroyed by the 64 million gallons of oil that were dumped over the 100 miles of ruined shoreline. Clean-up costs for this, the largest oil spill in history, were estimated at $600 million. Again, in March of 1979, in Cabot Strait the British oil carrier, *Kurdistan*, hit an iceberg, split in half, and dumped its cargo of about 29,000 tonnes of bunker oil. This spill cost $7 million to clean up. But the greatest, largest marine oil disaster that we have ever seen was not an oil spill at all; it was a well blowout in the Gulf of Mexico, the so-called Ixtoc blowout. In June of 1979, an offshore oil well owned by the Mexican Oil Corporation Pemex started spewing oil uncontrollably into the Gulf of Mexico; by the time it was capped ten months later it had spilled 140 million gallons of crude oil, some onto the coast of Texas and Louisiana. The cost of this clean-up was close to $1 billion by the time the well was capped in March of 1980. The blowout meant losses for resort owners, for Gulf shrimp fishermen and for Pemex itself.

• (2010)

In May of this year, a spokesman for Dome Petroleum admitted in Resolute Bay that his firm would not be able to control or clean up an oil spill in the Beaufort Sea should such a disaster take place. Yet Bill C-48 sets the stage for full speed and full-scale development of the Beaufort and other northern areas.

Again we can say that ministers entrusted with the protection of the north and its people have failed to take care of the areas entrusted to them. The Inuit people of Baffin Island say that this amounts to little more than "cultural genocide"; their spokesman pointed out to Dome that if a spill in the sunny, warm and ice-free Gulf of Mexico could not be prevented or controlled, then there is little hope of preventing one in the often dark, cold and icy Arctic.

We should not lose sight of the concerns that have been expressed by the Ministry of the Environment concerning the chronic, creeping effluent generated by offshore drilling and exploration activities. The ministry is so concerned, in fact, that in a report issued in 1978, it says that "the long-term degradation of the world's continental shelves may not be due to catastrophic spills. It may be due to the gradual deposition of small amounts of pollutants over time." These pollutants—drill cuttings and fluids, solid industrial and domestic wastes, industrial fluid wastes and oily production water and the onshore facilities and pipelines associated with offshore works are the ones identified—are capable of devastating salt marshes, fish spawning grounds, shellfish areas and the estuaries and channels that fish need to feed and spawn in.

At the same time, the report says that most of the problems are not technical but rather "traceable to specific weaknesses in offshore drilling and production procedures and management systems." In other words, we should not blame the tools or equipment, but rather the care and consideration for the environment with which they are used. The report goes on to say that for the government, "the only adequate response is to require offshore operators to meet high standards of housekeeping and water disposal."

This bill, as it has been presented to the House, does not set such high standards. It does not, for example, establish clearly enough the definition of an oil spill; for this reason the NDP has asked for changes that would clearly state that an oil spill should be defined as any amount of 100 litres or more of oil or any other substances foreign to the environment. We should be establishing the sort of high standards of housekeeping—

Mr. Lalonde: It is a low standard.

Mr. Miller: —and water disposal sought in the environment minister's own report.

Mr. Lalonde: We cover it, from one drop on.

Mr. Miller: Oh, the minister assures us now that it is his intention to cover oil from one drop on. It was one metre on—

Mr. Lalonde: Anything is an oil spill, anything.

Mr. Miller: Well, that's quite reassuring, but—

Mr. Lalonde: Why only 100 litres?

Mr. Miller: —it really does not point that out in the bill, as we interpret it. We cannot take the assurance of the minister that it will cover spills any less than—

Mr. Fulton: We know what his guarantees are like: ironclad.

Mr. Miller: Eighteen cents to the gallon. We should also cut down our haste in allowing offshore oil drilling and exploration.

Mr. Lalonde: You want to lower the levels.

Mr. Miller: We have had a moratorium on petroleum development off the west coast of B.C. for ten years. Bill C-48 would allow the lifting of this moratorium. At least I appreciate the minister's finally listening. I do not know if he is hearing, but he is listening.

Mr. Lalonde: You bet.

Mr. Miller: Bill C-48 would allow the lifting of this moratorium. It would allow the foreign-owned petroleum companies which own leases on the west coast to go ahead with drilling as soon as possible. In other words, they will be able to drill before we are assured they will adhere to the kind of production procedures and management systems that the environment ministry's report of two years ago called for.

Mr. Lalonde: Nonsense.

Mr. Miller: In fact, the only thing that currently stop Chevron Standard Limited and other large lease holders off the B.C. coast from going ahead with drilling as soon as this bill is passed is a jurisdictional dispute between the federal government and the province of British Columbia.

Mr. Lalonde: Nonsense.

Mr. Miller: Surely this is not enough to assure commercial, sports and native fishermen that they will be able to look forward to their fishery ten, 20 or 25 years in the future.

So we must add the name of the Minister of the Environment (Mr. Roberts) to the list of those whose silence has been so noticeable during the time the government has pushed this bill through Parliament. We must add his name because the provisions for protection of the environment in the case of a spill or a blowout are so weak. So here we have the ministers who are entrusted with protecting native people, the northern environment, the fisheries and oceans of Canada and the coastal environment; we have them accepting legislation that will put these people and these common trusts in severe jeopardy; we have them silently accepting legislation, in her words, for which others had felt some responsibility until now. These ministers have hardly taken the initiatives they should have taken to make sure that their responsibilities were carried out under this bill. The energy minister has told the national resources committee that these ministers will get their chance to set up resources management committees after the bill is passed; but we do not see it here in the legislation, and we cannot take the assurance of the minister into consideration under the conditions in this bill. Let us see it, and then we will believe it. The minister of Indian Affairs and Northern Development (Mr. Munro) has been called a silent partner to Bill C-48. Certainly, the Minister of Fisheries and Oceans can also be classified as a silent minister.

An hon. Member: Silent, I don't know about a partner.

Mr. Miller: Well, he does not seem to be in partnership under the bill anyway.

We should clearly establish in this legislation the responsibility of firms that undertake work in our north or off our coasts. Such firms must be made accountable for any environmental damage or economic loss to fishermen, shellfish harvesters, residents, other companies and others affected by the bill.

This bill is also weak in the provision it makes for inquiries into oil spills and other mishaps. In fact, as currently worded, the bill puts it at the discretion of the Minister of Energy, Mines and Resources (Mr. Lalonde) whether an inquiry into an accident will be held, and it says nothing at all about public inquiries. We would like to see it clearly stated that an inquiry must be held and that it must be conducted in public. This is the intent of Motion No. 57, which has been moved by my colleague, the hon. member for Skeena (Mr. Fulton).

These amendments, if adopted, would certainly improve the quality of Bill C-48 as a piece of legislation; but their adoption would not, I suggest, end the fears of fishermen, and other coastal Canadians who depend on the oceans and coastal waters of the nation to gain their living. It would not reassure the resort owners. It would not reassure the native hunters and fishermen who believe so strongly in the land and in their communities. The reason it would not reassure them is that they have no faith in the ministers of the government opposite who have done so little to live up to their mandates to protect the environment and the people. This is why the members of my party have worked so hard in their constituencies, in the committee on natural resources and in the House to get the government to reconsider Bill C-48, to slow down its general rush through the House in its desire to get at Canada's offshore natural resources.

Mr. Lalonde: Eight months in the House.

Mr. Miller: Eight months in the House, and we still have a poor bill, Mr. Minister.

Mr. Lalonde: Some rush.

Mr. Miller: We should be taking steps to assure Canadians who will be affected by this legislation that they will not have to pay the costs of social upheaval and environmental damage without seeing any of the benefits that these developments will provide. When we have fully taken care of the concerns of those who justly fear for their homes and their environment and their livelihood; when we have made sure that the benefits will go to Canadian taxpayers, workers and suppliers; when we have put proper environmental safeguards into effect, then we should proceed with the development of our resources in the full knowledge that we are not going to sacrifice more than we gain in the process.

• (2020)

In conclusion let me say that this rush to northern and offshore resources is reminiscent of the rush to exploit the conventional oil reserves in Alberta and Saskatchewan and to

sell them off at low prices. You are rushing into an area without considering the kind of input which the people in the north and those dependent on our offshore resources, such as fishing, have asked the government to consider.

This bill could stand many amendments. We in this party are disappointed that those environmental concerns expressed to the government in committee have not been addressed in any way in this bill.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it is my pleasure this evening to speak on Bill C-48, and the amendments that are attached thereto, Nos. 4, 34, 51, 52, 53, 55, 56 and 57. I understand that Motion No. 54 is still under consideration. I hope that the government will attempt to come to grips with Motion No. 54 in the near future because I believe it is vital to this bill and to the wellbeing of the country as a whole.

First, my concern about the bill is primarily from an environmental standpoint. I think it is imperative we recognize that although it is necessary to press on to energy self-sufficiency in Canada, environmental concerns and the concerns of the little people of this country are taken into consideration, specifically, the fishermen who are involved with this particular exploration. We cannot afford to eliminate the difficulties which this bill might impose on them. We cannot afford to eliminate those difficulties from our thoughts in our mad rush to develop new energies of which the Minister of Energy, Mines and Resources (Mr. Lalonde) is fully aware. They are short lived at best in the total concept of energy necessities over the period of the next few decades.

In the opinion of many Canadians, as well as that of a good many members of this House of Commons, this bill in all of its ramifications leaves a great deal to be desired. What it attempts to do, unfortunately for the people of this nation, is to set up a mega-ministry. This was aptly pointed out by the hon. member who spoke previously, but it will not work in the best interest of Canadians who have to continue to make their livelihood and to feed their families.

In the minister's wisdom and in the judgment of the bureaucrats who are anxious in their own way to appease his insatiable appetite, what we are faced with is a situation in which the minister has provided himself with more and more power. The agreement with which we are faced between the various ministries of the government—and it would be interesting to know the details behind it—is that the minister of energy will now take on the robe and cloak of spokesman, critic and absolute authority for the Minister of the Environment (Mr. Roberts) under whose jurisdiction, I believe, this bill should fall; as well as that of the Minister of Fisheries and Oceans (Mr. LeBlanc). Speaking of the Minister of Fisheries and Oceans, I am shocked that he is not in the House this evening and that he has not shown sufficient interest to be here when a subject of such vital concern to his department is before the House and will be before the House for the next while. Also, it is just as disconcerting that, for some reason or another, the Minister of the Environment, who should be just as interested, is not here this evening.

Mr. Lalonde: He was here this afternoon.

Mr. Corbett: Yes, he was here this afternoon, but after all it is his job, and his department and his salary are being financed by the taxpayers of Canada.

Mr. Lalonde: He is working now.

Mr. Corbett: It is his responsibility to be here and to appreciate the concerns of other Canadians because there are more than two Canadians in this House of Commons and in this country besides the Minister of Energy, Mines and Resources and the Minister of the Environment. But apparently the minister has been given the task by the Prime Minister (Mr. Trudeau) to attend to a more important function, and that is the matter of the Constitution. Why has the minister not been given the opportunity to voice those concerns that must be his as the Minister of the Environment, or does he care? I suggest that the entire portfolio of the Minister of the Environment is nothing more than a paper tiger. Interestingly enough, the Minister of Energy, Mines and Resources took exception a few moments ago to my remark that the Minister of the Environment should be interested in environmental concerns. But I see that that was passed by, as most other things are, by this government.

The amendments and the bill call for the establishment of two funds. It is very difficult to determine what these two funds intend to establish and do. Apparently $50 million or $100 million will be set aside. Perhaps the minister would like to give us his wisdom and tell us exactly how much the amount will be when he responds to the various positions that have been put forth in this connection. However, there are to be at least two funds set up, perhaps jointly funded, for the study of environmental impacts as well as for social studies. The term social studies is a very nebulous term, but it has to do with the impact the bill will have, primarily with regard to the Arctic region of Canada, which comprises some 40 per cent of the land mass.

I would suggest that this government has probably spent more money on studies and on the studious pursuit of the realities in Canada than any other government in the history of confederation. Despite the amount of money they spend on their education and their efforts to gain so-called knowledge for the benefit of their members, it is absolutely astounding that members opposite should portray themselves as such a studious group. They have to be the most inept government in the history of even their own party.

• (2030)

We have seen the definition in this bill of an environmental study. Again, it is nebulous. We have seen their definition of social study exercise but we have seen no reference to what they plan to do in the event that people in this country end up suffering. That is the history of that government.

Just take a look at our current situation. I could take up not only my allotted time but a full month or even a year to talk

about the government's callousness toward things like VIA Rail, mortgage rates, etc.

I would like now to turn my attention to energy. What will happen in this country if there is an oil spill, gas leak or some other catastrophic event? What they are doing is preparing themselves only for known situations.

Mr. Speaker, in the short period of time we are discussing, energy exploration is relatively new. The fact is it is minor oil spills, the mystery spills, as they are called, that are the most devastating to the people of this nation. That is the issue we should be addressing ourselves to. It is the garbage which is deposited into the sea, into our environment, which we must concern ourselves with.

I suggest that my colleagues and most of the people in this nation who make their living from the sea agree that there is very little attention paid to the mystery spills and garbage being dumped into the sea. The government has said that fishermen and other people who are adversely affected by these oil spills will be compensated in some manner through a fund yet to be determined. But no provision has yet been made. There is no particular direction given to those affected as to how they might make application to this never-never fund which is not even in existence.

I would suggest, Mr. Speaker, that if this government is truly interested in the best interests of Canadians and in Canada, as it would have us believe, it would set up a specific fund with a specified amount of money—certainly close to the amount it is prepared to spend on environmental studies—for the compensation of people whose daily lives could be adversely affected.

Mr. Speaker, it has been stated by knowledgeable people that a major oil spill in an environment which is so ecologically critical would have a tremendously adverse effect. I refer, of course, to an accident involving a tanker or a well site blowout. This government makes no provision for any compensation for people living in areas affected by such a situation.

I would like to take this opportunity to point out a matter about which the government is already totally aware. This is the proposal for an oil refinery to be erected in the State of Maine to which the province of New Brunswick has taken exception, to which I have taken exception, and to which apparently the government has taken exception. The government has stated it is prepared to pass regulations to make sure that the oil refinery in the State of Maine is not fed.

The time has come for the government to realize that it is the Minister of the Environment and the Minister of Fisheries and Oceans (Mr. LeBlanc) who should have a high profile in any decisions which are made that could adversely affect fisheries or any aspect of life in Canada. In order to do that, the government will have to be firm and will have to tell people in other jurisdictions that they will not be allowed to infringe upon the environment and the way of life we enjoy as Canadians.

Mr. Speaker, I have a report before me which is put out by the Department of Fisheries and by Environment Canada which is an environmental risk index for the siting of deep water oil ports. I would like to quote from that report. It says:

> It is possible to build a deep water oil terminal wharf off Eastport with depths alongside in the range from 80 to 90 feet. However, entrance to such a facility is via Head Harbour Passage, which is noted for its strong tidal streams, tide rips, and whirlpools. Its narrowest point is 1,800 feet wide between the coast of Campobello Island and a 27-foot shoal. Tidal streams in this passage sometimes attain a rate of nearly five knots. At the intersection of Head Harbour Passage with Western Passage, tide rips and whirlpools are formed at certain stages of the tide.
>
> These strong tidal streams in the narrow entrance to Eastport would make it extremely difficult, and at times impossible, to manoeuvre and berth VLCC's in this area. In fog and reduced visibility, the difficulties of navigating such vessels would be further compounded.

This has been brought to the attention of the government on many occasions. The establishment of this company in Eastport, Maine, would result in the emission of half a ton of sulphur dioxide and a ton of the oxides of nitrogen and 300 pounds of particular matter into the air every hour of the day, 365 days of the year. What has been the government's response to this proposal? This response has been forthcoming from this government since 1974. It is prepared to pass a regulation, if necessary, to prohibit the passage of super tanker traffic through Head Harbour passage.

● (2040)

Let me bring hon. members up to date on what has transpired. The Environmental Protection Agency has been ordered to grant a permit to the Pittston people which would allow them to discharge waste water into the Bay of Fundy region. There is a referendum going on today in the town of Eastport as to whether the residents of that community want the Pittston group, which has one of the worst histories of protection of the environment on the entire North American continent. Today those people are being asked to consent to the Pittston group's moving into Eastport. The time has come for the government to act. If the government is prepared to pass a regulation, let the government pass it now. Let the government deal with matters of environmental concern. Let hon. members opposite no longer pay lip service to the fact that the environment of our Canadian children and grandchildren must be protected in the future.

This government has made no move whatsoever in that direction, and it will be a sad day indeed if the Minister of Energy, Mines and Resources is allowed to speak for the absent Minister of Fisheries and Oceans (Mr. LeBlanc) and for the Minister of the Environment, absent this evening, both of whom should be heard. It will be a shame, and a shame on the government if it allows that to happen! These ministers, who should know and who should have a voice respecting where environmental funds are being expended, should be involved in the decision-making process. If they are not being denied that right, then certainly the citizens of Canada, the people who make their living from the sea and the people who have to feed their families are being denied that right of being involved through their spokesmen who are supposed to represent their particular interests in this House of Commons.

I urge hon. members present not to allow that to happen. It is the duty of every one of us who represents people who have to feed families in these days of dire plight to ensure that those people are ably and aptly represented.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Secretary of State): Mr. Speaker, to follow up on the comments of the previous speaker, I believe that it is of course important to put things back in their context. He regretted the absence of the Minister of Environment (Mr. Roberts), and at the same time tried to separate the protection offered in Bill C-48 from all other legislation aimed at protecting the environment in the Arctic and elsewhere in Canada.

Of course, the pace of northern development will accelerate, probably in spite of the gloomy prospects by our colleagues opposite and especially their former energy critic, who was under the impression that this bill would prevent his friends, the companies, from investing in the north. I do not think that the motions now before us bring any major surprises. I see some members of the New Democratic Party are here tonight to defend them, and I have but one regret, and that is that at the time of the vote in the committee, they were not even there to move these amendments. This is perhaps a belated reaction. I remember that the hon. member for Vancouver-Kingsway (Mr. Waddell) was in a great hurry that day. He was not there to introduce his amendments, when the committee could have disposed of them one way or the other. However, the bill provides these two funds for the environment. A while ago, I heard someone say that the Minister of Indian Affairs and Northern Development (Mr. Munro) had been completely ignored in this matter, and as we all know, this minister will be responsible for the environment fund north of the 60th parallel. We must also remember that all the other provisions included in the EARP and other environmental provisions still apply.

Let us look at the amendments proposed. Our colleague from the north came back earlier to the arguments which we heard during one of our trips over there, and especially with regard to the definition of a spill. I believe that he has misunderstood or else that he is becoming exclusive in his wish to overspecify, because if he excludes the general terms of the section as presently drafted and limits application of this provision to spills of over 100 litres, the bill will not protect us against smaller spills, and I do not see any advantage in having such a restrictive definition. In fact it might be a mistake, or perhaps not enough lawyers on the other side have examined this motion, but it would be completely useless to include this restriction. Frankly, I believe that it would be harmful and would prevent any control over the smaller spills that many people fear.

With Motion No. 51, even authorized spills would come within the purview of the act. Obviously, this amendment would create a legal contradiction since illegal authorized spills would be included. I fail to understand how something which is authorized can be illegal at the same time. This is of course a problem of semantics, and in any case to dispel the fears of hon. members opposite Section 19.2(1) will provide for a spill, whether authorized or not, which occurs offshore.

As for Motion No. 55—

[*English*]

It would make the person from whose work the spill resulted liable for actual loss or damage suffered by any person as a result of any such spill. He would be held responsible for what he has done, and I do not see why we need that new amendment.

Motion No. 52 provides for the reporting of authorized spills to the chief conservation officer and for the giving of notice of any such spill to the aboriginal groups affected. Such provisions could be made and would be more appropriate in regulations made in respect of authorized spills as provided for in subclause 19(4).

Mr. Waddell: Yes, but that will never be done.

Mr. Lapierre: You never know. We should be hopeful. It would be hard to put that in the bill and oblige the minister to give notice. Notice could be given to whomever is concerned, but we should not put it precisely in the bill. I think the place for that is in the regulations, and when the regulations are out and printed, I am sure hon. members will be able to check on them. If you are not satisfied, I am sure you will voice your dissatisfaction.

• (2050)

Mr. Blaikie: We will not be able to debate them.

Mr. Lapierre: I am sure the bill will not be here forever.

Mr. Blaikie: Neither will you.

Mr. Lapierre: Maybe you are looking for that.

Mr. Blaikie: It is never forever when there is closure.

Mr. Lapierre: The motion would delete from subclause 19.2(1) the liability of a person responsible for a spill or debris for the cost and expenses reasonably incurred by the Government of Canada in acting to deal with such a spill or debris. In place of that provision, the motion would substitute a broad provision for liability, economic loss or damage resulting from spills or debris including loss of hunting, fishing and gathering opportunities of aboriginal peoples.

The provision was suggested in committee as well and, in substance, was adopted in an amendment to Clause 19, subclause 19(3). I do not have to repeat it. The version was adopted on the basis that with the addition to the existing provision on "actual loss or damage", of "loss of income and loss of hunting and gathering opportunities of aboriginal peoples," all of the essentials of the proposal would be included. The one notable exception that may be raised relates to the

collective loss in certain circumstances, recognizing the right to bring class actions.

I do not think we are in a position to authorize that type of class action. Everyone realizes how the provinces are working on class actions. In Quebec, for example, there are bills with regard to that. I am sure the provinces will be given the opportunity to bring class actions.

As a result of the original wording in subsections (a) and (b), in cases where damage occurred in excess of the strict liability limits, there could be no additional recovery by an injured party from the negligent operator, only from any other persons who contributed to the damage. Thus, where there was negligence, and no contribution to that negligence from any other party, the injured party would be precluded from recovery above the strict liability limits. This, however, is not the intention; the new wording provides that where there is negligence, there may be recovery from any person responsible. This would include the negligent operator, subject to the strict liability provisions in subparagraph (a). Any amounts paid to the injured party as a result of subparagraph (a) would be deductible from the amount recovered on the basis of negligence, under paragraph (b) as a matter of common law.

[*Translation*]

Finally, as far as Motion No. 56 is concerned—

[*English*]

The motion would amend the limitation provision in respect of claims under Clause 19.2. The period now provided is two years from the date on which, for example, the damage resulting from the spill occurred, but not later than six years from that date. The proposed amendment would extend the first period to the extent that the date on which the damage occurred may, in some circumstances, not be coincidental with the date on which the damage became evident.

The sense of the amendment is not unreasonable, but when the vote comes, the government will have to reflect on it.

Motion No. 57 would amend clause 19.4(1) so that the minister would be required to establish a public inquiry in every circumstance where a death, injury or danger to public safety or the environment resulted from a spill or debris or an accident related to any activity to which the Oil and Gas Production and Conservation Act applies.

The bill now gives the minister the discretionary authority to establish an inquiry under the Inquiries Act in circumstances such as those described above. Amending a clause in the manner proposed would unnecessarily restrict the minister's discretion. There may well be circumstances where no inquiry need be held. The proposed amendment would nevertheless require the minister to hold a hearing in every instance, and leave him open to action if he failed to do so. Indeed in that sense the amendment goes against the normal drafting convention—a lot of people like conventions these days—in that, for the above reason, such obligations are not normally placed on a minister in such circumstances.

In so far as the nature of the hearing is concerned, whether or not it is public, again the proposed amendment would unnecessarily restrict the minister's discretion. There may well be circumstances, for example, where the nature of the inquiry to be made dictates that the hearing should be held in private in order to obtain the necessary information, or that the nature of the inquiry is such that a public hearing would be unnecessarily burdensome. Conversely, should it be appropriate, there is no reason why the minister cannot direct a public hearing under the provisions of the bill.

The motion is, in addition, somewhat inconsistent internally in that it provides that the minister must hold a hearing. However, he is not obliged to appoint qualified persons to conduct that inquiry, but may do so.

[*Translation*]

In other words, Mr. Speaker, the proposals we are debating tonight have of course been discussed at length in committee. The pros and cons have been weighed. Still I must congratulate all my colleagues of the New Democratic Party who have paid particular attention to the whole environmental question. I am convinced that, had they had the thoughfulness and patience to wait for the votes, these amendments could have been submitted directly to the committee and we probably would have been able to negotiate some of them. I know that my colleague from Nunatsiaq (Mr. Ittinuar) has done a lot of work. Indeed he is the author of several amendments in this bill and it would have been appreciated if other members had worked along that same line and with the same openness of mind.

I am convinced that the members of the Progressive Conservative Party did not have quite the same interests and perhaps not the same sensitivity. This bill may be far from perfect, of course, but I suggest that if there are abuses or if the fund turned out to be unnecessary or if there were other circumstances the Minister of Energy, Mines and Resources (Mr. Lalonde) would not hesitate to act, probably on the recommendation of his colleague the Minister of Fisheries and Oceans (Mr. LeBlanc) or of the Minister of the Environment (Mr. Roberts). Earlier someone was concerned by his absence in the House this evening. Well, we have been given the formal commitment that the Minister of the Environment would be consulted and party to all environmental problems which might crop up in the development of the Arctic. The minister's name does not appear in Bill C-48 but I think that is much more for reasons of an administrative nature than for reasons of environmental conscience.

Mr. Speaker, I hope that with this bill we will not witness another performance such as we saw in committee where hours and hours were wasted in mini-filibusters. Not only will Canadians benefit from the development of those resources but so will those who are waiting to invest and develop those regions of the country to the benefit of all the people. I hope they will not hold them hostage through Bill C-48 by saying: it has to be changed, thus trying to prevent the development of the Arctic. I know that all hon. members are anxious to see

Canada achieve self-sufficiency as soon as possible. I also know that in spite of our differences, we are all in favour of preserving our resources, but that we want a Canadian industry to develop the far north. Nobody can deny that great progress has been made as a result of this legislation; still, because it dates back some 20 years it had to be reshaped and streamlined to meet the needs of the economic reality of this day and age—in fact we are almost faced with an energy crisis—and that this bill is a cornerstone of our energy policy. We have met considerable opposition from the very beginning, especially because hon. members on the other side had no faith in our energy policy, but we had concrete results after only a few months. We have reached agreements both with Alberta and British Columbia—and we hope we will reach similar agreements with the others very soon. We were called all sorts of names— I shall forever remember that the hon. members of the Progressive Conservative Party, these self-appointed champions of Alberta, were so mean. And yet, on the night the agreement was signed, we quickly ran out of champagne because of the large number who wanted to celebrate the occasion. Perhaps the people felt that we had chosen the hard line. In connection with this bill, people are dissatisfied, but I am sure that as soon as the facts are known, there will be major finds and discoveries in the north, and that as soon as Canadians feel more secure, they will all be in favour of this bill; I suggest that the opposition would be wrong and irresponsible if merely for the sake of political gain, it delayed the passing of this bill which most Canadians are demanding, especially those who are anxious to participate in the development of the north.

• (2100)

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hills): Thank you, Mr. Speaker. When I was younger than I am now, one of the things I learned from my elders and many other people was that actions speak louder than words. It seems to me Bill C-48 is one of the government actions which speaks louder than the words they have so appropriately enshrined in the constitutional package with respect to treaty and aboriginal rights. When you add Bill C-48 to the announcement of the go-ahead on the Norman Wells pipeline, when you add it to what is happening in James Bay, and when you add it to a number of other things this government is responsible for, it gives one the feeling that perhaps the celebration with which the aboriginal rights amendments in the Constitution was greeted may have been a bit premature; at least so long as the government is being run by the present party in power.

An hon. Member: Hear, hear!

Mr. Blaikie: Bill C-48 is not neutral, I think, with respect to aboriginal rights or land claims. I will not say any more about it except to say I think it is intellectually dishonest to claim that any such piece of legislation can be neutral with regard to such a matter. Anything that has such an effect on a region in which these other things are in dispute can hardly be said to be neutral. That is simply a position not worth defending; it is indefensible.

I want to speak tonight about the question of the environment. That is what the amendments are addressing right now. I should like to say to the House Bill C-48 is an unusual, conceptual opportunity, if you will, for the House of Commons and, indeed, for the Canadian people. It is in the response of the three political parties to Bill C-48 that we can see some of the differences that exist among the three parties in the House.

Let us begin with the Progressive Conservative Party. All along they have been with the oil companies. They do not make any apology for this. They think the private sector can do a better job than the public sector; with the exception of the Conservative government in Ontario which seems to be ideologically backsliding of late. The Tories have been with the oil companies. Their major objection to Bill C-48 has been that it involves more public ownership, and it involves more involvement for Petro-Canada. They are not that concerned about the environment. There are some members of the Conservative Party who are concerned about the environment, but if they want to be intellectually honest, I think they have to realize that as long as they want to be defenders of the profit motive, they cannot at the same time be defenders of the environment. Much of the damage that has already been done to our environment has been done in the name of the profit motive; shortcuts that have been taken, technology that has not been installed, rivers that have been polluted, people that have been poisoned. All this happened because you could save money by not doing it. You could increase your profit margin by not doing it.

The Conservatives and the NDP oppose Bill C-48 fundamentally for different reasons. I want to make this clear.

Then we have the Liberals. The Liberals are moving down the road toward state capitalism, or what we might call ministerial capitalism. This bill gives all power, in heaven and earth, to the Minister of Energy (Mr. Lalonde). It does not even distribute it among other ministers in the cabinet. It gives the minister and the government more power over the corporations and more power over northerners in general. I would submit in the final analysis it gives the minister more power over northerners than it does over the corporations, because it still gives the corporations far too much of a free hand. What we are concerned with here is not just the corporations but with the people in the north who are being ignored, not only in substance but also in process, in the way this particular bill has come into being and is proceeding.

My party agrees with public ownership. We are not upset that Petro-Canada is getting more of a role to play in the development of our oil and gas resources. However, we have a different idea about what public ownership is and what it ought to mean for the Canadian people. Mr. Speaker, we want the Liberals to know we are not satisfied that Petro-Canada exists; that is not good enough. We want to see Petro-Canada simply embody a certain kind of economic development, indeed human development. It is about time we started to talk

about human development and left this narrow economic vision behind. We have a different idea of what Crown corporations are from that of the members opposite when they speak about Crown corporations and public ownership.

We want Crown corporations to be environmentally responsible. As I said before, we want them to embody a new kind of development. Because they are backed up by the wealth of the nation, and because they are backed up by the collective mandate of the Canadian people who say we want to be involved through our government in the development of these vital resources, we want them to do it in a different way. We do not want them operating at arm's length like any other business. We want them to make the kind of sound decisions that should be made. If they do not have the technology to deal with an oil spill, then let them not drill. If they do not know how to deal with certain environmental problems, then let them wait until they do.

These are the kinds of decisions that can only be made by institutions which are not in bondage to the profit motive. In that respect, we support the notion of public ownership; but we do not think it is the kind of public ownersip we are getting from the Liberal government. This distresses us. The idea of compensation, the idea that after all the seals are dead and all the fish are floating belly up someone will be compensated—is totally inadequate. There are things in this world, I would like to tell my hon. friends opposite, that there is no compensation for. He has a narrow, legalistic, individualistic view of the world which supposes that somehow people can be compensated for the general destruction of the environment which belongs to everyone. For the neglect you make possible in this bill, the whole world ought to be taking you to court. The notion of compensation will just not wash when it comes to the environment. The government will have to rethink its categories. It will be too late by the time it gets around to it, but nevertheless it will have to do so.

• (2110)

Another thing we do not like about the kind of development we receive from the great Canadianizers over there is that it is development from the centre, out to and on the periphery, and it is the development of the north by people in Ottawa. It is not only state capitalism, it is state, centralized, ministerial capitalism. We believe that development in Canada needs to be more decentralized, more democratic, and needs to take more account of what the people north of 60 believe about development in their area. We believe that economic development, even if it must be public, has to respect the various northern communities, because in the final analysis a publicly-owned polluted world is no better than a privately-owned polluted world when it comes to the quality of the environment. Hon. members opposite should not think that they are making any great moral strides simply by allowing Petro-Canada certain rights north of 60. We will not be satisfied by that.

We see here a kind of frozen, arrogant vision on the part of the government at a time when Canadians are looking for leadership. They are looking for some way to be led out of the treadmill on which they find themselves in regard to energy consumption. Instead, we find the Liberal government frantically digging up the country, trying to find and extract whatever resources they can so that they do not have to face the difficult questions of conservation and demand, so that they can meet their balance of payments because they did not develop the economy of the country correctly in the first place. They have this frozen vision. I think it is tragic. We see it in the emptiness of the answers of the government day after day. Whether they are questions on finance, energy, or whatever we ask about, we are lucky to get anything that even bears a remote resemblance to an answer.

The government is not facing the question of demand versus supply. It is not facing the question that we cannot continue to have the present kind of energy consumption and that simply finding resources in the north and getting them out as quickly as possible is a self-defeating proposition in the final analysis. We must change our way of consuming these resources, not just for our own sake but for the sake of people of the future and people around the planet who exist now. If they are to have a reasonable share of the opportunity to live abundantly, we in Canada and we in the western industrialized nations will have to come to some very, very difficult realization of where we stand with regard to energy consumption and energy growth. This is what is so empty about Bill C-48, apart from its total inadequacy vis-à-vis the environment. What is empty about it is that it does not recognize any of these realities.

I do not have much more to say, except that Bill C-48 has all kinds of power, but no purpose, no perception or perspective; it is just raw, unadulterated power. It is sort of the bare bones of what is left of the Liberal vision of Canada. I regret that this is the case. We need to begin to see, whether publicly or privately—and of course I prefer publicly—that in public ownership there is the possibility of the kind of development which cares for the future, cares for the planet and cares for everyone in the world. Until we receive that kind of public sector development from the Liberal government, the New Democratic Party will not be satisfied.

Some hon. Members: Hear, hear!

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was most interested in the comments of the hon. member for Shefford (Mr. Lapierre) who indicated that there was perhaps some value in the amendments before the House. He went through the amendments and suggested, perhaps obliquely, that there should be some changes and that the minister should look again at the propositions put forward by the hon. member for Nunatsiaq (Mr. Ittinuar) and the hon. member for Skeena (Mr. Fulton).

I was very disappointed in the efforts of the hon. member for Winnipeg-Birds Hill (Mr. Blaikie). He did not talk about the amendments of his colleagues. He proceeded to talk about nationalization, Crown corporations and public ownership. He did not pay attention to the fact that the greatest oil spill this world has ever seen was caused by a national oil company in Mexico. It was an oil spill which it took nearly four months to

stop. It caused the greatest amount of pollution ever. There is no magic in public ownership with respect to pollution. The hon. member for Winnipeg-Birds Hill ought to know that. Rather than rave on about public ownership, I am surprised that he did not deal with some of the worth-while amendments his colleagues put forward. I say, "worth-while" not because they are well written or well thought out, but because they get to the important points which must be dealt with and are not dealt with by the minister in the bill.

First the minister is faced with Motion No. 4 which defines a "spill" as a spill of gas or oil, some gunk or whatever, which may be in excess of 100 litres. The minister said, "I would stop all spills, even spills as small as a drop." The minister knows that it is important that there be some quantitative definition of a spill. After all, if the kid who fills up the fuel tank of a diesel tractor and happens to overflow it a bit, we cannot end up with a public inquiry, a report to a conservation officer, and the rest of it. That is impractical. When someone spills half a barrel of fuel amounting to 100 litres or more, this is very damaging to the environment.

Mr. Lalonde: What about 50 litres?

Mr. Blenkarn: I challenge the minister to make an amendment and define what is a spill in the act, other than the absolutely stupid definition in clause 80, Section 19(1) wherein it reads:

—"spill" means a discharge, emission or escape of oil or gas other than one that is authorized—

In other words, if he says that it is okay and it is authorized, it is not a spill. Slop it all over the place, dump oil on everyone, it is not a spill if it is authorized. The minister said that if one drops a drop of extra oil, it is a spill, but if he authorizes it any way you fellows want to put it, that does not count.

I see the minister smiling over there. How could he conceivably suggest to the House of Commons that if he authorizes some company or some agent of a company to spill oil, dump oil, dump bunker or whatever, it is not a spill, he is not liable for it and the company is not liable for it; no one is liable for the damage? The damage may exist, the environment way be hurt, but the minister specifically says that the Crown is not liable. The Crown can authorize a spill and the Crown has no liability. Presumably the person authorized or directed to spill has no liability either. I guess the people in the riding of my colleague, the hon. member for Nunatsiaq bear the brunt of it. That is the kind of thing that happens. It is all right if the minister authorizes it. Surely the amendment proposed by my colleague, the hon. member for Skeena, with respect to Section 19.1 and the amendment with respect to the definition of "spill" must be carried, because they are sensible amendments.

● (2120)

The minister is in the House and after I have finished speaking, I expect him to stand up and say that he is going to ask for the unanimous consent of the House to file amendments which would be better written and better described than these. I think the drafting by my colleagues in the NDP is just horrible and incompetent but the minister could file amendments that would cover those problems.

I should like to deal with the question of liability for a moment. The bill is not clear enough in making an operator or concessionaire who has an oil lease or whatever from the minister, absolutely and completely liable. In the United States, when the legislation with respect to the trans-Alaska pipeline authority was proposed, it provided that all damage, no matter who caused it, no matter how it was caused, whether by negligence or otherwise, was the responsibility of the person or operator involved. In other words, it was "no fault" legislation. That is the kind of legislation we have in Ontario with respect to spills caused by those who transport oil products and the like and with respect to those who store oil products and the like.

I have a client who, by mistake, turned the wrong valve and it let out not much more than 100 litres of stuff into a small creek. He did his best to clean it up and paid a $5,000 fine in my riding of Mississauga. He did his best to stop it; it was not his fault; it was a mistake and there was no evidence of negligence. There is no fault legislation in that province, and there should be no fault legislation in this bill.

The same thing applies to the construction industry. A number of members of this House who have been involved in the construction industry know that when a man on a construction job does not wear his hard hat, the employer is fined. It does not do the employer any good to say, "I told him to wear his hard hat and I supplied him with it." It is the employer who pays the fine and who is penalized. There should be the same requirement with respect to pollution and environmental matters in the north. It should be no fault legislation and this bill does not have it.

Amendments Nos. 51 and 55, although poorly drawn, attempt to create a no fault situation and they must be supported in the event that the minister does not bring in better amendments. I challenge the minister to do something that must be done. He has a poor bill and he ought to know that and he ought to clean it up.

I want to go on now to the question of damages, Mr. Speaker. There is provision in this bill that a person be entitled to collect in a lawsuit, of all things, the actual loss or damage that he suffers. There is now an attempt by the minister in Section 19.1(3) to define actual loss or damage. I want to say to the House and the minister through you, sir, that the normal interpretation of actual loss or damage is what is generally known in civil courts as the kind of damage you can get in a contract lawsuit—actual, proved damages. There is an attempt in subsection (3) to broaden it but it does not broaden it properly, and the minister knows that it does not because he had the benefit of good legal counsel. It is important that this House understand that the terms "actual loss or damage" are really terms that define loss or damage to real proven losses.

Let me demonstrate, Mr. Speaker. Suppose that because of a spill in the riding of Nunatsiaq a musk ox herd is destroyed. Which person can sue for the loss of the musk ox herd? Whose herd is it? You can sue for your actual loss or damage, but

who owns the herd? Who knows who owns the herd? Maybe the Crown owns the herd or maybe the aboriginal people own the herd. Can they prove they own that herd? Under no circumstances can they, but the act says it is only a person who can sue. Which person? Can a band sue? Can a community sue? Under no circumstances, Mr. Speaker. A person can sue, but he must show that he has lost something. How does a person show he has lost something because a musk ox herd was destroyed or a herd of walrus was destroyed or a bunch of beluga whales was destroyed? How do you show that you have lost something? If you can prove that you have been hunting these particular animals and that you have lost a cash amount from the sale of their hides or whatever, and you can prove what you have sold at other times and you anticipate a loss in future years because you can no longer hunt them because they do not exist, then only you can get compensation. What about your children, then? Your children do not count. Only you can sue. You cannot sue for your children or your children's children. If the herd is wiped out the best you can get is your actual loss or damage. That is what the minister has done to the people in the north.

I say to my friends in the NDP that I am glad they brought these amendments forward—but they are not good enough. They are poorly drawn, they are incompetently drawn. I say that it is the obligation of the minister at this point to take the major amendment of the hon. member for Nunatsiaq, Motion No. 53, and redefine it to include all kinds of damage going into the future. When you destroy a place where you can gather things in the wild, when you destroy a herd, when you destroy, perhaps, the spawning ground of trout, then you have done something for which it is almost impossible to prove damage.

I was thinking about this earlier, Mr. Speaker, and I said to myself that even if you could prove damage, how would you do it? I was in Baker Lake once. The people there go fishing for lake trout. They feed them to their dogs. They toss a fish to the dogs. What do they use the dog for? They do not need a dog now because they have a skidoo, so what is the value of the dog? As a matter of fact, if there is no feed for the dog, perhaps then they would kill the dog and not have any problem. But what are their damages? A can of dog food? A bag of Kibble, or something like that? Will they have to go to the supreme court of the Northwest Territories to collect the value of a can of dog food or a bag of Kibble? That is the kind of thing that is in the concept drawn up by people in Ottawa who think that the north boundary of Canada is the Meach Lake resort and that the south boundary of Canada is the Ottawa airport. They do not understand what is going on. They suspect that because there has been some damage, one can start a lawsuit. One could start a lawsuit if it is worth taking a lawsuit and worth hiring a lawyer; but would one hire a lawyer because one does not have a fish to feed one's dog? Where are the damages? With what does one pay the lawyer, even if one does collect?

● (2130)

An hon. Member: Fish.

Mr. Blenkarn: The answer is that, and that is not an answer. This statute is not an answer to protect people with respect to the hardship they will suffer if there is, in fact, environmental damage. There was a suggestion made by the Canadian Arctic Resources Committee. There was a suggestion made in amendment 54, which may or may not be before the House, that there be some sort of fund, that there be some sort of compensation board to which one can apply and the compensation can be assessed by an assessor, the concept which perhaps exists with workmen's compensation. Perhaps that is the way we should be going. However, this concept of actual loss or damage to be determined in a court of law, despite the easing of that concept in Section 19(3), is just not good enough for Canada. It is certainly not good enough under these conditions. It is not what we would accept in southern Canada. I point out to Your Honour that the people of Mississauga would not accept the proposition that if someone dumped some oil in a creek, the ratepayers along the side of the creek would only be entitled to their actual loss or damage. How does one figure one's actual loss or damage when the water in the creek in the backyard gets polluted with oil? What is one's actual loss or damage? One does not drink out of the creek and one does not fish out of the creek. What is one's loss or damage? I must really say that this minister has not thought it out. It is about time that he and this House understood that this section, in terms of damage, is not good enough. It is no answer. If the minister will not produce better amendments than those which are before the House, then this House has an obligation to vote for the amendments presented.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Before I finish, I want to deal with two other amendments. First, in connection with amendment No. 57, which involves "may" or "shall", there has been a lot of discussion in the past dealing with statutes concerning what "may" or "shall" should mean. Section 19(4), found on page 67 of the bill, calls for a public inquiry if there is death, injury or danger to public safety or the environment. It says that the minister may direct an inquiry. The problem we have here is that the section probably encompasses too many conditions. Clearly, if there is a death on an oil rig, perhaps there are other procedures which could be followed, in terms of a coroner's inquest and the like, or other police procedures. Perhaps a public inquiry would be required. However, the section goes on to include danger to public safety or the environment. When it is apparent that there is something which may pose a danger to public safety or the environment, surely to goodness the minister has an obligation to call an inquiry—not "may" call an inquiry, but an obligation to do so. In as much as the section does not divide the issues between death and injury, and that particular problem, we must vote in favour of the proposed amendment.

I again say to the minister that he can cure the problem. He can cure the drafting. If he will cure the drafting, that would make better legislation. However, in the event that he will not,

then the proposed amendment in Motion No. 57 must be carried.

Lastly, in connection with damages and the limitation on damages alluded to in Motion No. 56, one can only sue for one's loss or damage if one sues within three years of the event. The problem there can be very simply demonstrated by one simple case: somewhere in the back boondocks someone makes a spill on the spawning grounds in a creek, or whatever, of salmon or trout; and because these fish do not come back to their spawning ground for four years in some cases, one does not know that there is any damage because one continues to fish for the next three years; and then all of a sudden there are no fish. All of a sudden, four years later, there are no fish. One looks at the statute and finds one is out of court because the damage occurred three or four years ago. Therefore, I say to this House that Motion No. 56 and the other amendments must carry unless new amendments are presented to this House by the minister. I ask the minister to do that before this bill is put to a vote.

Some hon. Members: Hear, hear!

Mr. Albert Cooper (Peace River): Mr. Speaker, the debate we are addressing tonight is really on a very important motion, namely Bill C-48. It is probably one of the most important bills that we have debated in this House since I have been around because it affects so many areas of our lives. It will have a dramatic effect on the north and on the offshore areas of Canada. It will have a dramatic effect on the environment of both of those areas. It will affect the future job prospects for our young people. It will affect the future of our industry, and it will affect the opportunities for our young people in Canada. More specifically than that, Bill C-48 will be affecting the northerners. It will affect those people in several ways; first of all, in terms of development, and in terms of spin-off from that development, such as transportation, jobs, and even education. This bill will really have an effect on everyone in Canada. In fact, it will affect anyone who uses oil and gas, which is virtually all Canadians.

Therefore, I should be taking pleasure in participating in this debate; but, in fact, I am finding very little pleasure in participating, probably because of the weeks that we have spent on this bill in committee. Those weeks have left a bad taste in my mouth. If Your Honour can imagine it, we are dealing with an important bill which will have such a dramatic effect on the northern parts of our country and the offshore areas, and yet the committee which has been dealing with this bill has not once travelled into the area which will be affected. I have never seen such a glaring and obvious example of a government from afar. It is the kind of thing we hear complaints about all the time. It is the kind of thing which has been reinforced in committee on this particular bill. A good number of witnesses appeared before us in committee from native groups, northern communities, northern business people, environmental groups and industry, and the list goes on and on. Each of those groups was treated the same, but the government acted a lot like the proverbial three monkeys: their eyes were covered and they did not want to see anything; their ears were covered, and they did not want to hear anything. The only exception to that rule was in fact, their mouths, which seemed to be open all the time and going in a number of different directions. The government clearly demonstrated its blind, unthinking, unhearing, unswerving ambition to achieve its own goals; goals which had no concern for the people who will be affected. The government demonstrated its set mind. Its mind had been made up. There was no intention of changing it. That became more and more apparent as committee time went on and on.

Therefore, as I speak tonight I have a tendency to feel that it is nothing more than an exercise in futility. Just pausing briefly, let me say that I think it is important that we look at the purposes of this bill which is so important to all of us. It is a bill which really introduces new guidelines or a new regime for oil and gas production in what is commonly called Canada lands. In other words, it is the rule books. It is the game plan. It is the whole system which will control the development of oil and gas in the Yukon, in the Northwest Territories and in the offshore areas of Canada.

• (2140)

The effects of this bill will be seen long into the future. We can see that it is important. It is dramatic. That is the purported purpose. But after those weeks in committee, a person begins to question what the purpose of the bill is. You begin to wonder if it is not any more than an opportunity or an attempt to crown the Minister of Energy, Mines and Resources (Mr. Lalonde) as nothing more than the emperor of the north, something to allow him to rule unfettered and undeterred the very people who will be affected, such as the northerners, the natives, the environmentalists and the business people. In fact, he is even undeterred or unfettered by his colleagues, such as the Minister of Indian Affairs and Northern Development (Mr. Munro), the Minister of Fisheries and Oceans (Mr. LeBlanc) or the Minister of the Environment (Mr. Roberts). Effectively, what has happened is that time spent in committee has reduced what should have been a lofty opportunity to nothing more than a simple play for power.

I want to focus for a few moments on the motions before us tonight, Nos. 4, 51, 52, 53, 55, 57 and now also Motion No. 34. All of these motions really focus on the environmental concerns in Bill C-48, and as such they are an extremely important part of this bill. The question is what kind of treatment will they receive at the hands of the government? Looking back at the committee hearings we can see that the whole debate tonight will probably fall on deaf ears.

The Minister of the Environment, who should have been keenly interested in this bill and should have been keenly and dramatically involved in its drafting and in the various elements of it, did not even appear before the committee. One begins to wonder why. Perhaps it is because emperors do not like shadows. What happened to the environmental groups which appeared before us, such as the Canadian Arctic Resources Committee? A number of those groups appeared

before us, but they were ignored. Their submissions were never reflected in this bill. Once again, I envision those three monkeys.

This is a crucial time in terms of the development of Canada's north and in terms of Canada's offshore. It is not a time for covered ears or covered eyes. It is a time for keen and careful listening and a time for thoughtful and careful watching. It is a time for us to discuss Canada's future. The area that we are discussing tonight is really Canada's last frontier. It is Canada's future garden of resources. It is even Canada's future breadbasket. In other words, this whole area is Canada's golden opportunity. Through Bill C-48 I think all Canadians right now are gambling a bit with our future, and we are gambling heavily on this particular part of our great country. Any time anyone gambles, the first thing one should do is look at the odds. We have to cover those odds and we have to do our best to increase our chances for success.

Today, as we look at this bill, that is exactly what we have to do at this time. We have to lay the groundwork, the footings and the foundation now for whatever will happen in Canada's frontier areas in those Canada lands. If we wait until tomorrow, or next week or next year, it will be too late. Things are beginning to happen now and now is the time when we must address these fundamental issues.

Environmental concerns really become fundamental and become key to this whole discussion and issue before us tonight. I think environmental concerns really mean the difference between two options, one is short-term development, which will benefit a few people, and the other is long-term development, which will benefit all Canadians. Obviously for all of us, the short-term option is really no option at all. What we have to strive and seek for is a long-term option. That is what we want, that is what we need, and that is what we must achieve.

To my way of thinking when one talks about the environment, there are two elements to the discussion. The first is the physical element, the second is the social element. The physical element means the land, the water, the tundra and the air; all of those things that can concretely touch the tangible aspects of the environment. The second area of the environment is the social one. That is more difficult to grasp because it affects people, such as natives, Eskimos, Indians and white men who live in the north. It affects their livelihood and their whole way of life.

This evening I want to focus primarily on the physical elements of the environment, and hopefully, if time permits, touch to a small degree on the social elements of the environment.

Last summer I travelled to Taiwan. Taiwan is an interesting country. It is a small country but it has a great many people contained in its small land mass. In fact, the whole of Taiwan is smaller than the riding I represent, yet it has a population four times that of all of Canada. In Taiwan, environmental concerns become very obvious. If you take a few acres and damage them, that damage sticks out like a sore thumb. It becomes so obvious that anyone can see it. Therefore, concerns become much more magnified.

To contrast that, two weeks ago I travelled to Inuvik in the Northwest Territories. It seems that in the Northwest Territories you can fly for miles and miles and miles. One does not see any sign of man. There are no signs of an end to that country. As far as you can see, it seems to be water, land, water, more land and more land. To spoil a few acres in that vast area would be like dropping an ice cube in the Great Lakes. One would think that it would have virtually no effect.

Just to envision how much land we are talking about in this particular area, let me say that we are talking literally of 40 per cent of the entire area of Canada. It is a tremendously vast and unspoiled area. Just because of its size, we tend to think that we have nothing to worry about, but the truth of the matter is the vastness and seemingly endless area gives a deceptive impression. This huge area does have a very thin skin; it has a very fine ecological balance. It is slow to repair itself and it is slow to heal after it has been abused.

Now is the time for some serious listening and serious thinking. Now is the time for serious discussions concerning the environment in that area. It is now that we have to lay those plans to address the situation before it is too late. Now is the time to protect this very fragile environment.

Now I want to look briefly at the motions before us. First, let us look at Motion No. 4 which reads in part:

"spill" means an amount of 100 litres or more of oil and any other substance deemed foreign to the environment.

Obviously the purpose of that motion is very simply to define what is meant by a spill. Colleagues and other speakers before me have done a good job of demonstrating just how essential it is that we know what a spill is and that we define that particular element in this type of bill.

Motion No. 51 simply tries to differentiate between an authorized and an unauthorized spill. It wants to remove the distinction in terms of environmental damage and in terms of responsibility for that damage. I think it is obvious that damages are damages, whether they are caused by an authorized spill or by an unauthorized spill.

● (2150)

Motion 52 is an interesting motion. Having lived in part of Canada's north, I found it particularly interesting. It says very simply that any spills must be reported to the chief conservation officer. He must then notify as quickly as possible the aboriginal peoples who might be affected. That may seem like an unimportant amendment to many people, but what often happens in an area so far removed from its government, the bureaucracy here in Ottawa being responsible, is that the people most directly affected are the last to hear about it. I feel this amendment is essential.

Motion No. 53 expands liabilities and deals with some of the liabilities that result from a spill. It is important because it takes into account such things as livelihood, as an area where

people can glean their livelihood. That, too, is of fundamental importance when talking about an area such as the north.

Motion No. 56 is also unique to the north. It recognizes the fact that what may seem like slight damage today, may have a significant effect tomorrow. Damages which may have occurred a short time ago, or even earlier, may still be the subject of a claim.

Motion No. 57 states that the minister must launch an inquiry in the event of a spill. That is important because one of the things which became obvious while studying Bill C-48 was the massive amount of ministerial discretion provided in the bill. This motion clearly addresses that question. The minister does not have an option; he must report that spill and launch an inquiry.

All these motions are important because they attempt to address the environmental concerns in the north. They attempt to begin this new regime, game plan, on a sound and solid footing.

The question that begs an answer is whether the government will listen and for once make some real and positive changes to Bill C-48, or will it be the same as we experienced in committee?

I want to touch briefly on some of the social aspects of the environment in this part of our country. Having lived there, I know what it is like to have one's resources exploited. I know what it is like to have decisions about your environment made by bureaucrats and governments from afar. I know what it is like to lose jobs to southerners and to travel thousands of miles just to get some education. I have seen the traumas people go through to get the education they require, just to be employed in their own home towns.

This government has to recognize that these people will be dramatically affected by the provisions of Bill C-48 because of the unique northern environment. Their entire living environment is likely to change. The government has to recognize this problem and to deal with it so we may all benefit. The short term benefits for a few is not a solution for us in this particular situation. We must look for a long-term benefit for all. I believe that Bill C-48 is literally Canada's future. The government should carefully consider the serious impact of this bill. I hope it will listen, hear and make some meaningful changes to Bill C-48 which will have a positive effect on all Canadians.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am pleased to be able to speak in support of my party's amendments.

First, I would like to speak to amendment No. 4, which requires that there be some quantitative definition of what constitutes an oil spill, setting it at 100 litres or more. The hon. member for Shefford (Mr. Lapierre) has said there is no need for such a definition, it can be left to ministerial discretion.

I might point out that in my coastal riding in British Columbia there was an oil spill. It resulted in an oil slick three quarters of a mile wide and a mile long. The people who contacted the environmental agency were told it was an insignificant spill, and no action was taken. We have tried to find out what guidelines there are for action in case of an oil spill. Up to this time we have seen no action on the part of the Minister of the Environment (Mr. Roberts). That is why I say it is absolutely essential there be some specific quantity set in a definition so we will know whether or not there is a spill. The 100 litre definition, I think, is important because it indicates that incremental spills continued over a period of time can be just as devastating to the environment as one much larger spill. It is important that we have that definition.

Another important amendment requires that notice be given to the aboriginal peoples most affected by a spill, as well as environmental officials. There should be financial protection for the people who are affected. Another amendment makes an inquiry after a spill mandatory.

All these amendments are essential if we are going ahead with this kind of legislation. The Indian people in British Columbia have the slogan "The Land is the Culture". You cannot separate the environment from the total life of the native people in the north. Next week the minister responsible for multiculturalism is hosting a gala in honour of the tenth anniversary of the multicultural policy. I remind hon. members of this House that culture is more than a matter of dances, singing and folk tales. It is a whole way of life, and unless we take some action to protect the environment, we will see a culture destroyed.

• (2200)

In June, when the Minister of Indian Affairs and Northern Development (Mr. Munro) appeared before the committee, he promised there would be a legal definition. Why have we not seen that definition? We require it. It is not obvious, as he says: people want to know how land claims will be affected. I think the minister owes it to this House to provide that definition.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—BACKLOG OF PENSION APPLICATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on July 15 of this year I directed a question to the then acting minister of veterans affairs. My question was the following:

At present there is a backlog of 4,500 pension applications which are taking up to five years to process. The pension chairman has stated that he is hamstrung by the present veterans legislation. He says that the delays will get worse. Statistics

provided by veterans organizations show a 50 per cent death rate while waiting for pensions to be processed. What is the minister going to do about this?

I received a non-answer, and no action has been taken since that time.

I would like to take a moment before I continue with the debate to congratulate the hon. member for Cardigan (Mr. Campbell) on his appointment to the cabinet as Minister of Veterans Affairs. We wish him well, and I want to assure him that he will receive full co-operation from this side of the House.

However, we must ask the minister to table new veterans legislation immediately. We cannot wait for the McCracken inquiry. Mr. McCracken is to file some kind of report in 1983. I will go into some statistics as to why we cannot wait until 1983 for some action. All the minister has to do is to obtain a copy of the United States legislation whereby veterans pension applications can be processed in 90 days. If that can be done in 90 days in the United States, it can certainly be done in 90 days in Canada.

I just want to give an example of the types of letters we are receiving from constituents. I want to read from a letter I just recently received from a lady veteran in my riding who, in 1978, appealed an assessment on her pension. At that time she was told she would have to wait up to two years before she could get it. She said the following in her letter to me:

My God, I could be dead by then! Maybe this is what they want, but I certainly do not.

In September of this year, the same lady veteran received a letter from the Bureau of Pensions Advocates telling her that they might get around to giving her some kind of answer in June of 1982. That is a national disgrace. We cannot accept that, and we cannot wait until 1983 for something to be done about it.

I am sure the minister is aware that there has been a recent decision which could make thousands more Canadian veterans of the Second World War eligible for pensions. This decision was made by the War Veterans Allowance Board. This means that there could be thousands more applications in the near future. If what there is now cannot be handled, I do not know how thousands more will be handled.

The minister will have to give serious consideration to leaving the pension commission here in Ottawa. One of the problems he will have will be the moving of the pension commission to Prince Edward Island because the pension commission deals also with RCMP and Department of National Defence pension applications, so I want the minister to have a look at that.

We on this side of the House are not saying every veteran is entitled to a pension. What we are saying is that veterans are entitled to answers within a reasonable period of time, not up to five years. There are even cases in which it takes over five years before there is some type of answer to pension applications. Even by 1986 there will still be about 650,000 veterans in the country with whom to deal, so the problem will not disappear. It will get worse.

I recently received an answer to an Order Paper question which gives complete detail on this complicated procedure. I have here three pages of red tape. It is nothing but a bureaucratic blockade. I am sure it is designed strictly to give defeated Liberal candidates jobs on these boards and commissions. They are loaded with them. This is the most ridiculous blockade I have seen in my life. I suggest the minister look at this complicated procedure in his department.

● (2205)

My colleague from Parry Sound-Muskoka (Mr. Darling) received a letter from the Royal Canadian Legion at Port Carling which states:

It was resolved at our last general meeting that I write you and draw to your attention the disgraceful and deplorable situation regarding war veterans pensions.

This is a concern right across the country. All members receive these kinds of letters.

The Royal Canadian Legion Ontario Command sent a letter to their veterans whom they assist with pension applications. They tell them not to expect any kind of answer for at least two years. That is absolutely ridiculous. They then have to wait another three years to find out whether they will get a pension.

Another group in Ontario is organizing under the name of The Unsatisfied Veterans' Association. I quote in part from their letter:

—we plan to recruit as many unsatisfied veterans or dependants as possible. Once we have coast to coast members, we plan to hold a nationwide protest at all DVA offices throughout the country.

Their main concern is the slow processing of veterans' claims, which is a concern right across this nation.

The McCracken inquiry certainly is not acceptable. The minister will have to take immediate action. He should get hold of the American legislation. If they can do it in 90 days, we should be able to do the same.

The minister is even being sued. The War Amputations of Canada based in Ottawa says that the medical advisers to the pension commission often recommend how pension applications should be decided, exceeding their authority and usurping that of pension commissioners. They have launched a legal action stating that many medical examiners are breaking veterans pension laws. Mr. Chadderton, the chief executive officer of the group said in an interview that the medical advisers are a bureaucratic blockade.

I hope the minister will give some information this evening as to what he is going to do about this bureaucratic blockade. Will he give us a commitment that he will table new legislation, not in 1983 or 1984 but immediately? The veterans are entitled to better treatment. We demand immediate action from the minister with regard to this disgraceful situation.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I first want to thank the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) for the opportunity to

add to the answer he received from the then acting minister of veterans affairs on July 18, 1981.

I first want to say it is true that the Canadian Pension Commission is experiencing some delay in the processing of applications for disability pensions. However, I think it is fair to point out that the majority of the difficulty is at the first level only. As the hon. member is aware, this problem was addressed directly by the then acting minister of veterans affairs. I want to assure the hon. member and this House tonight that I am committed as well to providing prompt and effective service to the veterans and their dependants.

The American legislation to which the hon. member refers is fundamentally different from our Pension Act. These differences can be seen in the manner in which the veteran is treated. In Canada, the Canadian Pension Commission acts as a medical detective on behalf of the veteran and researches the medical grounds on which it bases its decisions. It tries to relate present day disabilities to the relatively short period of time of military service over 36 years ago.

Most applications received by the Canadian Pension Commission are for disabilities that are associated with aging, such as arthritis, heart, chest and back conditions or failing eyesight or hearing. The gunshot wounds and the obvious war-related injuries were dealt with years ago. The Canadian Pension Commission must research carefully each case, or risk having to turn down the veteran's application. The Canadian legislation gives the veteran the benefit of the doubt, and the Commission does an excellent job of helping veterans find the relationship between today's disability and the wartime service so that they can be considered for pension. In fact, Mr. Speaker, at the first level, 40 per cent of all claims received are approved. If we consider all stages of appeal, 54 per cent of all claims registered by the commission are approved in whole or in part. When we consider that we are dealing with events which are at least 36 years ago and are trying to relate them to present medical conditions, the difficulty becomes obvious.

• (2210)

The United States situation has a much younger veteran population—

The Acting Speaker (Mr. Blaker): Order, please. I regret to inform the hon. minister that the adjournment to date is so structured that every minute beyond the three minutes he is allowed is depriving another hon. member of his opportunity for debate. It is a tradition that the Chair is strict in that regard. Perhaps the hon. minister might take a sentence to wrap up what he is saying. Then I have to recognize other members.

Mr. Campbell (Cardigan): In summary, the Pension Act was created by Parliament on the advice and recommendation of veterans' organizations and the Woods committee. I am sure the hon. member would agree with me when we say that he gained very little support in his efforts to change the basis of our pension legislation.

Adjournment Debate

MANPOWER—REQUEST THAT MINISTER MEET WITH WOMEN'S OUTREACH GROUPS

Mr. Jim Hawkes (Calgary West): Thank you, Mr. Speaker. I am sitting here wondering when we are going to see legislation that acknowledges a debt of gratitude that all Canadians owe to those who have served them, instead of producing defensive, bureaucratic gobbledygook. Pensioners are hurting. I hope we see legislation put before us quickly.

I would like to begin by congratulating the new Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Bujold). I welcome him to the late show. It is unfortunate he has to be here so late in the evening. I can assure him that we are both here because on June 16 the Minister of Employment and Immigration (Mr. Axworthy), once again refused to answer very simple and basic questions. That is a habit he has. I hope he will not lead us astray this evening with a script that will again not answer my questions, and that will attempt to lead Canadians astray. This is the pattern we have noticed over the past 14 or 15 months. It would be refreshing to see a change.

On June 16, I asked the minister two simple questions. First, would he meet personally with representatives of women's Outreach groups? He replied, "My officials will meet", trying to leave the impression he would meet with them when, in fact, he did not have the courage to say, no, he would not meet them." The second part of my question was also very simple. I asked: will he guarantee to this House that the moneys available for women's Outreach programs in Canada this year will at least be equal to those of last year? We got a long song and dance. If you studied what the minister said, you would find that he will increase the bureaucracy and cut the budget of women's Outreach groups; yet he tried to leave the impression all was well. In the interim, when not one of us was here to question him, this minister, who does not make statements in the House but makes statements to the press, put out another press release. In the press release of September 17, he bragged that for Outreach there is an additional $2 million. Then come the critical words: "it is being made available." What is the difference between those words and the words "is being given to?" There is a sense of certitude about expenditures that are being given to groups. There is no sense of certitude about moneys being made available. If you listen and study the wording of this minister, you are immediately suspicious that he has got himself another headline; he has left Canadians with the impression he is providing funding to Outreach. The cautious, clever man, or the cautious, clever woman in an Outreach group, would look at those words, "is being made available," and would say, "I bet come January 1 will find another announcement of other moneys being made available." This $2 million that sits here now will not go into Outreach. I defy the parliamentary secretary to rise now and guarantee that it is going to Outreach, not to any other purpose, or is it simply available as a possibility and in one month, two months or three months will be made available to some other group for the purpose of another headline?

● (2215)

In the same press release, the minister told us that he was in the process of evaluating Outreach and that when the evaluation is completed he will decide whether that $2 million will be given. Then we dig a little deeper and we find that the minister has hired a firm from his riding, as he does so many things for his riding. It takes the power of the ministry to serve all Canadians. He put it in a little chunk of Winnipeg. It is the evaluation of a Canada-wide program. Then we become suspicious that there will be a report down the road which indicates clearly to Canadians that Outreach is not so good, that the minister does not really have to take the available $2 million and give it to them, that he could take that $2 million and not spend it, or give it away someplace else. The parliamentary secretary should rise and tell me that that will not be the conclusion. He should do that clearly when his turn comes.

There is a little bit more double talk. In May the minister came to Alberta and said, "Why are you native people so upset about what we will do to Outreach?" On about May 15 he said, "Don't worry". Then on July 1, within six weeks, all employees are fired, funding is terminated and the equipment is turned back to the Crown corporation. That is the word of the minister with whom we are dealing in the House. He did not make the announcement in the House, he made it to the press. He went out and made the killing announcement to the press, not to the House where we would have a chance to question him, to bring it up in the adjournment debate.

I say to the women and the native people of Canada in Outreach, that if they look at the main estimates, this minister, in the crunch with other ministers of the Crown, lost so much money in his over-all budget that 20 per cent of the programs of that department, as we have known them, will not take place in this budget year. No matter how hard we push, he will not tell us where those cuts are occurring. We will have to read the budget with the care which is required to enable us to conclude that Outreach is one of them and that what replacements there are will simply consist of a few more bureaucrats.

I bring to the attention of the parliamentary secretary the new report of the special task force. Recommendations Nos. 13 and 109 indicate that Outreach is cost-effective and that people with special needs are helped. The minister should pay attention, increase the funding, and make it happen.

The Acting Speaker (Mr. Blaker): Order, please. This is the first time since the resumption of this session this fall that we have had an opportunity for the adjournment debate. On behalf of other occupants of the chair, I should like to inform hon. members that the rules are seven minutes for the questioner and three minutes for the reply. This occupant of the chair, and others as well, will from this moment on ensure that hon. members are not permitted to exceed those times. I am sorry this evening has not gone off very well, but I would ask hon. members to co-operate if they can.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would first like to thank my colleague from Calgary West (Mr. Hawkes) for his good wishes, and I trust that the answer I will give him tonight will not prompt him to follow up with another question of this kind.

In the first part of his question, he mentioned that the minister had refused to meet with women's groups. I think it is a lot more useful to solve certain problems and to allocate more funds than to meet people without having anything specific to tell them. The hon. member says that the announcement that was made in September should have been made in the House. Unfortunately, the House resumed sitting only yesterday, so it would have been difficult for the minister to make that announcement in the House. I would like to say, Mr. Speaker, that the answer the hon. member for Egmont (Mr. Henderson) gave in June still holds true, but I would like to add certain facts.

First of all, the Treasury Board approved the allocation of an additional $0.5 million to the Outreach program for 1981-82. These funds come from other commission programs and were allocated to the regions.

Secondly, despite what was said earlier, that the minister allocated the majority of funds to his province and his region, the short-term contracts which the Ontario region signed with the sponsors of Outreach projects were because of a lack of funds changed to provide for 12-month terms. Thirdly, the hon. member for Egmont mentioned the various policy options presented to the minister with regard to the Outreach program. The minister is now examining these options concurrently with the report of the Task Force on Employment Opportunities for the '80s.

Finally, the hon. member for Egmont also said that at the time the minister wanted to secure additional funds for the Outreach program. I am therefore pleased, Mr. Speaker, to advise the House that, as mentioned previously, an additional sum of $1.5 million was recently approved by cabinet and the Treasury Board for 1981-82. The minister is now—reviewing the allocation of those funds which will be used to finance existing and new projects for women and the handicapped. However, Mr. Speaker, I can assure the House that the minister hopes these additional funds will allow him to increase by a third the number of Outreach projects for women.

● (2220)

[*English*]

VIA RAIL—REQUEST THAT STANDING COMMITTEE CONSIDER MATTER OF PASSENGER TRAIN ABANDONMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday I had the opportunity to ask the Minister of Transport (Mr. Pepin) a question concerning the cutbacks he announced

in passenger rail service on July 27, to take effect on November 16, a brief month away from now. My colleagues and I thought it very important that on the first day of Parliament since the announcement, we should be front and centre in our opposition to these cutbacks. The minister avoided face to face criticism for a while by waiting until after Parliament recessed for the summer to make his announcement, but now he is going to face the music, whether he likes it or not.

Yesterday I asked the minister whether he would refer the cutbacks to the Transport Committee of the House of Commons and cancel them until after the committee has had a chance to pass judgment on them. Earlier, he had offered to come before the committee and explain his decision. That is not enough, Mr. Speaker; it is not what we are after. An explanation of such a stupid decision makes it no less stupid and no less regrettable. I am asking the Minister of Transport to refer it to the committee in such a way as to make possible the reversal of his July decision.

This decision must be reversed, Mr. Speaker, for the sake of energy conservation, for the sake of jobs, for the sake of tourism, for the sake of the future of passenger rail service and for the sake of national unity.

Mr. Speaker, since I have been in this House I have not been one to get up and play the national unity game. I do not take kindly to everyone using national unity as a blanket in which to wrap themselves and thus be saved from having to defend their arguments, while they in fact do more harm to national unity than help it. But I sincerely think that such significant cuts in western Canadian and Atlantic Canadian train service, so that new equipment can be purchased for the Quebec-Windsor corridor, is a grievous error.

Like the government in general, I guess the minister just does not realize what he is playing with when he plays with the ability of Winnipegers to go by train to Saskatoon or to Edmonton or the ability of Edmontonians to go to Vancouver directly by train.

The railroad is not only a fact, it is a symbol of Canadian togetherness. And having one man from Ottawa hacking and slicing away at our rail system, by order in council yet, without public or parliamentary input, is a grievous, grievous error indeed. It shall never be forgotten. Never! The centre shall never live down this attack on the regions. By the next election, the only thing protecting the Liberals west of Thunder Bay and in the maritime provinces will be the game laws!

Democracy demands that the cutbacks be suspended and re-examined by an informed public. If the government proceeds, then I can only assume that we are much further along the road to government by decree than I really wanted to believe. I for one will not be content until we have a fully integrated and comprehensive transportation system in which passenger rail plays a crucial role, whether it is taking campers to their cottages or tourists from sea to sea. I spoke about this in my first speech in this House of Commons nearly two years ago this week. I will speak out as long and as often as it takes to get through the thick skulls of the Liberal government that it had better sit up, respect and invest in passenger rail service.

• (2225)

I am very anxious to hear from the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael). He comes from Winnipeg. He has Symington Yard in his riding. However, it will not be his riding for long unless he can help persuade the government to renege on its stupid decision to make the cutbacks in VIA Rail.

Some hon. Members: Hear, hear!

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, over the years a number of inquiries and royal commissions appointed to look into the problems of railway passenger services recognized that there existed a duplication of services and an overcapacity in the Canadian railway system. This overcapacity in the system is still largely with us today, and we continue to subsidize and maintain a large mileage of uneconomic, low density passenger traffic lines—

Mr. Blaikie: Trains were full.

Mr. Bockstael: VIA Rail was established in 1977 to rectify this situation by the end of 1980. Its objectives were to attain a reduction in subsidies to rail passengers—

Mr. Blaikie: In Winnipeg.

Mr. Bockstael: —to have a rail framework that would put an end to the duplication of services; to establish rail fares that reflect an improved commercial viability; to have rail service maintained where no other travel alternative exists.

In order to maintain transportation subsidies within a framework of responsible spending of taxpayers' money, the minister would have been forced to give the CTC very explicit instructions to attain this objective.

Mr. Blaikie: They had lots of money for Mirabel.

Mr. Bockstael: Members would have complained that the minister was interfering unduly in the role of the CTC. The hon. member for Winnipeg-Birds Hill (Mr. Blaikie) wants to have the matter reviewed by the Standing Committee on Transport. The minister welcomes the opportunity to defend and justify the government's plan in a public forum. He has indicated his willingness to appear before the Standing Committee on Transport to do so.

Mr. Blaikie: Big deal.

Mr. Bockstael: Perhaps, when all the facts are on the table, members will realize that the plan makes a good deal of sense.

Mr. Blaikie: Don't say that in Winnipeg.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted, and accordingly this House stands adjourned until tomorrow at eleven o'clock.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 16, 1981

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

NORTH-SOUTH RELATIONS

SUMMIT MEETING IN MEXICO—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, today the citizens and governments of more than one hundred nations, including Canada, will observe the first World Food Day, which will serve as a rallying point in the search for solutions to end world hunger and poverty. The natural right of all human beings to food was backed by the report of the parliamentary task force on North-South relations, which placed particular emphasis on food and agricultural production. The report was supported by all parties in the House and its main thrusts were endorsed by the government.

I therefore move, seconded by the hon. member for Sudbury (Mr. Frith):

That this House affirms its desire that practical steps be discussed by the heads of state or government of 22 countries who will meet next week for the historic North-South Summit in Mexico, so that early progress can be made in negotiating the economic issues now dividing North from South and, further, that the text of this motion be sent to the governments of all 22 states.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too have a motion under the provisions of Standing Order 43 which should receive the unanimous support of this House. Whereas on a relative basis the people of Poland during World War II suffered as great a loss of both life and property as any other nation in that catastrophic conflict, and whereas following World War II, as before, many persons of Polish ancestral background settled in and became distinguished Canadian citizens, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the government introduce forthwith measures which would admit to this country Polish immigrants in such numbers so as to alleviate the hardships that presently exist within the Polish refugee camps in Austria, and in the meantime work to ensure an adequate supply of food and essential medical services to those still living in the Austrian refugee camps.

Madam Speaker: Does the House give its unanimous consent to this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AID

CANADIAN COMMITMENT TO DEVELOPMENT ASSISTANCE—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my motion also arises out of the fact that today is International Food Day. I hope my motion will meet with the same success as that of the hon. member for Edmonton South (Mr. Roche) earlier. In light of the fact that current trends will see about a billion people suffering from hunger and malnutrition by the year 2000, and that in 1980 Canadian development assistance was reduced to .42 per cent of our gross national product, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the Government of Canada honour its commitment to meet the official United Nations target for development assistance of .7 per cent of our GNP.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FARM CREDIT CORPORATION

FUNDING FOR AGRICULTURAL INDUSTRY—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, farmers under the Farm Credit Corporation are faced with unreasonably high interest rate increases and a very limited amount of

working capital in the fund. Therefore I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That this House call on the government and the minister responsible to reconsider their attack against the farm economy and arrive at a reasonable interest rate that will be workable for the expansion of the farm economy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

INAUGURATION OF CROWN CORPORATION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of some urgency under the provisions of Standing Order 43. Today, to mark the official transformation of the Post Office into a Crown corporation, the Prime Minister (Mr. Trudeau) will be getting the symbolic last and first letters. I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That, in the letter to the Prime Minister, the following note be enclosed:

Dear Pierre:
Just a note, to let you know
The 30-cent stamp will be quite a blow
To Canadians from coast to coast
When each day they go to post
Letters to their kith and kin
With news from home contained therein
A home they'll lose to interest rates
While we continue to blame the fates;
So take a stand, oh, mighty "me",
And reduce for stamps the price to be
For if you don't, my travelling chum,
Next time you'll be booted in the
Place where you sit and contemplate the
Universe unfolding as you think it should.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

● (1110)

HOUSING

MORTGAGE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. There currently exists a mortgage crisis in Canada that is sucking citizens deeper and deeper into the watery grave of foreclosure and debt. The government is stealing the equity of home owners by virtue of its current policy, or rather lack of policy on housing and mortgage rates.

As a case in point, a husband and wife, both teachers, with a combined salary of $42,000, put down $30,000 on an average Vancouver home of $150,000. By stretching, they paid 35 per cent of their income to meet monthly mortgage payments of $1,300. One year later their payments leaped to $2,100 per month, which effectively gouged 63 per cent of their income. They cannot sell, even at the loss of their $30,000—

Madam Speaker: Order, please. That preamble is really a bit long. It is not exactly in the form a Standing Order 43 should be presented. I would ask the hon. member to move his motion.

Mr. Wenman: Even if they could sell, the vacancy rate in Vancouver is .1 per cent. These people are in dire straits. I therefore move—

Madam Speaker: Order, please. Please let us know what you are moving.

Mr. Wenman: I therefore move, seconded by the hon. member for Perth (Mr. Jarvis):

That the government make mortgage interest a tax deduction or a tax credit, and that limits be placed on mortgage interest increases upon renewal.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT OF CANADA

DECENTRALIZATION OF DIVISIONS AND SECTIONS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, in the light of the announcement by the Minister of Finance that 106 jobs in the philatelic mail order section of the Post Office will be moved to Antigonish in his riding, and in the light of the announcement to a managers' meeting in Montreal last week confirming that the citizenship records division of the Secretary of State's department will be relocated in Sydney, Nova Scotia, and in the light of the promises of other Liberal Members of Parliament to put jobs in their ridings, by decentralizing the Civil Service, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House demands that the Liberal government put a stop to the wasteful, demoralizing, and cost ineffective program of balkanizing Canada's civil service.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

NORTHERN AFFAIRS

SUPPLYING OF FUEL TO FROBISHER BAY—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I also rise under the provisions of Standing Order 43. In light of the fact gas prices in Frobisher Bay are 33 per cent higher than in Ottawa, and home heating oil is 60 per cent higher, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Transport and the Minister of Supply and Services take immediate steps to extricate the government from its current 15-year contract with Shell Oil to provide fuel to Frobisher Bay, and to have the government, through Petro-Canada, assume full responsibility for the provision of gas and home heating fuel in the far north.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

CALL FOR SUSPENSION OF ORDERS IN COUNCIL CANCELLING PASSENGER SERVICES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, since the federal cabinet has again broken its trust with the Canadian people by abolishing some 20 per cent of the VIA Rail passenger system, without reference to Parliament or any recourse to public hearings, and given that the Minister of Transport has confirmed his incompetence by stating falsely that "Railways are one of the least energy-efficient, energy-economic methods of transportation", I therefore move, pursuant to Standing Order 43, seconded by the hon. member for Ontario (Mr. Fennell):

That the cabinet orders enacted on August 6, 1981 under Subsection 64(1) of the National Transportation Act be immediately suspended so that all VIA Rail services shall be continued beyond November 15, 1981, and also that no new service cuts be contemplated until a thorough appraisal can be made of the important role of VIA Rail in meeting the transportation needs of Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

SOCIAL SECURITY

RELIEF URGED FOR PENSIONERS—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, whereas statements made by the Minister of National Health and Welfare (Miss Bégin) over the past 18 months reveal the

fact that the government had identified the suffering of those pensioners who live on incomes below the currently accepted poverty line, and because the government has taken no action to relieve the suffering of those people who comprise more than half of all Canadian pensioners, mostly women, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That this House instructs the Minister of Finance to stop trying to solve the problem of inflation on the backs of pensioners and include in his budget substantial relief for those elderly people currently living on incomes below the poverty line.

Madam Speaker: Is there unanimous consent for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

GOVERNMENT POSITION ON COST INCREASES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. The CPI figures this morning indicate that gasoline and heating oil prices have risen an incredible 46 per cent to 55 per cent during the past 12 months. The minister knows that this represents a huge tax increase to the federal government. Also the minister said in the House that he will not fight his battles on the backs of the poor. In his 18 months of office why has the minister done nothing or taken no action to help people who just cannot cope with energy price increases of that magnitude?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have just two comments to make about the question.

Mr. Nielsen: How about an answer?

Mr. MacEachen: The first one is that the hon. member has been among those who have advocated more rapid energy price increases than we have provided for in the agreement with the province of Alberta.

Mr. Clark: That is a falsehood.

Mr. MacEachen: I draw to the attention of the hon. Leader of the Opposition the comments made by the member who has just answered the question at the recent Conservative national meeting, in which he spoke quite forcefully about the necessity of substantial energy price increases. I happen to agree with him on that point. There are price increases involved that have been indicated from the very beginning. What we have done in

an energy price agreement with the province of Alberta is to bring about a settlement which has placed less of a burden on the consumers of Canada than he would have permitted as a member of the former Government of Canada.

Some hon. Members: Hear, hear!

ADDITIONAL COSTS TO FARMERS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I can play with figures the same way as the minister can play with figures. The point is that the prices for energy have risen 46 per cent to 55 per cent. That has been taken up largely by taxes for the federal government. My question was: why has the minister done nothing to return that to those people who just cannot cope with those price increases?

My supplementary question concerns farmers. The farmers have been hit not only by high energy prices which affect their fuel costs, as well as costs of their fertilizer made from natural gas, but also by interest rates. Obviously this will mean higher food prices to all Canadians.

Why, in his 18 months in office, has the minister failed to address this issue, an issue which will cause countless Canadians to stretch their food budgets tighter and tighter and make it much more difficult to live in the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not sure whether the hon. member is now asserting that the Government of Canada should totally cushion the impact of energy price increases. I gather that that is not his position. It is essential, in the interests of the operation of the economy that, as much as possible, energy price increases be absorbed. I want to tell him that very shortly after we formed the government, we increased substantially payments to those most in need in Canada, as we said we would. It was an increase in the Guaranteed Income Supplement which was much more generous than any proposal ever contemplated by the former government.

Some hon. Members: Hear, hear!

Mr. MacEachen: We constantly remind hon. members of the opposition of this fact, that the GIS increase was undertaken, and that it is fully indexed against inflation. That, in our view, covered the group which most needed our attention. I agree with the hon. member that, if our financial circumstances warranted it, it would be desirable to try to protect more and more groups, but we did say that we would help those who needed help most, and we provided that help.

• (1120)

Mr. Nielsen: You also said you would keep fuel prices down.

INCOME TAX

REQUEST FOR MAINTENANCE OF INDEXATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the minister has just been presented with a windfall over the next five years of over $50 billion. Surely the minister can find room for some of that money to be addressed to these very specific problems and still take into account the importance of reducing the federal budget deficit.

The minister knows that this $50 billion in taxes is about the most regressive form of tax that could be levied on the Canadian people. Another very regressive form of taxation would be the removal of indexation on the personal tax deductions. Would the minister today, if he is not willing to make any effort to help those people hurt by the energy price increase, state in this House that he will not remove indexation from the personal tax deductions?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in a sense I am confronted with the same dilemma that every Minister of Finance faces before a budget, that is, to be asked to disclose by denial, the contents of a budget.

Mr. Jarvis: You have done it before.

Mr. MacEachen: I have no comment to make on the hon. member's question except to say that I would not recommend that the Conservative Party spend funds this year to advertise against indexation, as they did before the last budget.

* * *

FORESTRY

LAY-OFFS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance and it deals with the depressing state of the British Columbia forest industry. In August of this year the unemployment rate in the forest industry was 11.8 per cent. One month later it had jumped to nearly 18 per cent, not including lay-offs. What is happening in British Columbia is that, on a daily basis now, hundreds if IWA workers are being laid off across the province. Many people with as much as 35 years of seniority are being laid off because of market conditions. This is having a devastating effect on communities across the province. Entire communities are falling on their faces.

It seems to me that the time has come for this minister to say what he is going to do, not only to assist that industry but to help the people of British Columbia who, for the first time ever, have fallen down because of the high interest rate policy of this government.

Mr. MacEachen: What is the question?

Mrs. Mitchell: They don't care about British Columbia.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would be glad to answer the question, but I did not hear a question in the statement made by—

Mr. Clark: You have not answered one in two years.

Mr. Riis: Whether it is called Thatcher economics or Reaganomics or MacEachenomics, high interest rates have devastated the B.C. forest industry.

Some hon. Members: Order, order.

Mr. Riis: What are you going to do about it? What is the minister going to do about that industry and the people who are being so adversely affected? That is the question.

Mr. MacEachen: That is a statement.

Mr. Riis: That is a question.

Mr. Clark: It only affects western Canada. He doesn't care.

Mr. Nielsen: He is going to move the stamp collection.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF INDONESIA

Madam Speaker: I should like to draw attention to the presence in our gallery of Professor Mochtar Kusamaatmadja, who is the Minister of Foreign Affairs of Indonesia.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

INTEREST RATE LEVELS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance and it arises from his replies to my colleague, the hon. member for Etobicoke Centre. The three issues on the minds of Canadians are interest rates.

Some hon. Members: Hear, hear!

• (1125)

Miss Carney: While the modest drop in the bank rate this week is welcome, it still means that most small businesses are paying at least one per cent over prime, or 21 per cent, to stay in business. Our party feels that interest rates will have to drop sharply before Canadians feel the economy is under control.

Does the minister find the current levels of interest rates and inflation to be acceptable, since he is apparently prepared to do nothing about them?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I certainly do not find them to be acceptable. I have frequently expressed my views on that subject. It is my objective to do everything possible, within the capacity of the budget, to help reduce interest rates. I have found no easy way of reducing interest rates in an inflationary environment.

Mr. Crosbie: Speak to Herb Gray. He had all the answers.

Mr. MacEachen: The hon. member for Etobicoke Centre spoke about the inflation rate which was announced today. It is still a high inflation rate. It is not possible, in my view, to make a substantial reduction in interest rates until we succeed in bringing down the inflation rate in this country and in other countries of the world. I share the hon. member's concern about interest rates, and will seek her assistance in doing everything possible to bring down the inflation rate in Canada.

Some hon. Members: Hear, hear!

ADVICE GIVEN BY ECONOMIC COUNCIL OF CANADA

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also addressed to the Minister of Finance. I think I speak for the members of our party when I say that, while his views are welcome, action speaks louder than words.

Some hon. Members: Hear, hear!

Miss Carney: This week the Economic Council of Canada said that the government's high interest rate policies can reduce inflation only at heavy cost to the economy. Therefore, I ask why is the minister continuing to defy the advice of the official economic advisers to the Government of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not know what the hon. member has in mind with respect to advice received from the advisers, to the government. I think it is the responsibility of the Minister of Finance to accept or reject advice, depending on its suitability at the time it is given. However, on this point, I am not aware of rejecting anyone who has come forward with advice that makes sense and which would reduce interest rates.

* * *

ROYAL CANADIAN MOUNTED POLICE

REPORTED PAYMENTS IN BRITISH COLUMBIA MULTIPLE MURDER CASE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Solicitor General. I want to ask him whether he is aware of any circumstances whereby the RCMP or their agents pay, or expedite the payment of money to accused persons or their families, in trust or otherwise, for the purpose of obtaining evidence relevant to the offence with

which an accused is charged. In this connection, I refer specifically to the Olson multiple murder charges in British Columbia. I would ask the hon. minister if he would clarify this situation, and also ascertain whether there has been any attempt to suppress the media concerning these reports which, of course, may or may not be true.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am fully aware of the circumstances to which the hon. member is referring, but in view of the fact that the matter is presently before courts I think it would be inappropriate for me to say anything at all about it which might affect the process in any way.

EFFECT ON PAROLE SYSTEM

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I can respect the feelings of my colleague in this matter, but the implications of this matter, if true, are tremendous under our present parole correctional system, because this kind of payment could lead to a situation where an accused could conceivably be released after a fairly short period of time, and he or his family could profit by the payments made in order to expedite his conviction.

Hon. Bob Kaplan (Solicitor General): Since there was no question asked in the supplementary, I will return to the question and simply note that, so far as I am aware, no efforts have been made—certainly none by the Solicitor General or anyone in my ministry—to suppress or influence the press in any way on this subject.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my questions have to do with a growing nightmare for many tens of thousands of Canadian home owners who have urea formaldehyde foam insulation, and who are victims of one arm of government not knowing what the other arm is doing. We now have at least two different cabinet ministers saying two different things, and the others are running for cover.

I want to ask the President of the Treasury Board if he authorized his then parliamentary secretary, now the Minister of State without portofolio, to say, on September 18:

● (1130)

The Treasury Board has accepted the principle of evaluating damages, and compensating victims.

How does this square with the statement made in Vancouver last weekend by another cabinet colleague, the government Leader in the Senate, who said:

No consideration has been given by the government to assisting UFFI victims.

Which statement is correct? What is the government's position in getting people out of the mess that you got them into?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, my former parliamentary secretary, who is now Minister of State, is not in the House. I think the hon. member neglected to mention that a subsequent statement was made, as I recall, clarifying those remarks.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): What is the position?

Mr. Scott: Madam Speaker, perhaps the President of the Treasury Board will consult with his new cabinet colleague and find out what he did say, and get him to clarify his remarks. It still remains the biggest, most gigantic goof-up by this government or any other government I can remember. The statement made yesterday by the Minister of Consumer and Corporate Affairs to the effect that testing is being done and results will be revealed, offers no consolation whatever to the many hundreds of thousands of angry and worried people out there who do not know whether to take the insulation out or not.

TESTS CONDUCTED BY ADVISORY COMMITTEE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I will put my supplementary question to the Minister of National Health and Welfare. Has her department determined what is a safe level of formaldehyde gas in the home? Since her own expert advisory committee on UFFI has reservations about single readings of formaldehyde measurements and is not prepared to recommend any level of formaldehyde exposure as safe, have her officials told the Department of Consumer and Corporate Affairs that the tests being conducted at this time may, at best, be suspect, if not meaningless.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): No, Madam Speaker, I have never said such a thing nor did the senior officials of my department. I would simply wish to clear up a few points and say that within the government's working mechanism concerned with that most unfortunate issue, namely the committee chaired by the Minister of Consumer and Corporate Affairs, my senior officials worked on the basis of the report drafted by experts on urea formaldehyde foam and indicated that as a result of several readings—and we have given the specifications—a certain level of toxic vapours would be considered, keeping in mind the limited scope of the scientific knowledge of Canadians on this subject, as being a danger index and that is what we are telling the people.

[*English*]

EFFECT OF UREA FORMALDEHYDE ON HOUSE SALES IN WINNIPEG

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my supplementary question to the minister in charge of housing. This week the Winnipeg Real Estate Board has taken the unprecedented action of delisting houses that have urea formaldehyde insulation in them from their list of houses for sale. In fact they have gone even further. They are also delisting homes which had urea formaldehyde insulation in them but have had that insulation removed.

In view of the devastating effect this will have on home owners, not only will home owners be faced with a loss in terms of having to remove the insulation but they will now have difficulty even listing homes for sale in the Winnipeg area, what responsibility does the minister feel he has, in view of the fact that the insulation was approved by him and accepted through the CHIP program? What advice does the minister have for people who are now trying to sell their homes, and cannot?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the use of UFFI was one of the approved substances—

Miss MacDonald: By you.

Mr. Cosgrove: —as the hon. member has indicated, on the list by CMHC under the CHIP program, for which there was a subsidy provided by the taxpayers themselves.

The question of responsibility flowing from that role—

Miss MacDonald: Is yours.

Mr. Cosgrove: —the question of the government's response in all of these circumstances, as has been indicated by my colleague previously, is under the chairmanship of the Minister of Consumer and Corporate Affairs. The government is presently carrying out the testing and it is also looking at the area of responsibility. When that committee, under the chairmanship of that minister, reports, the answer will be available.

* * *

GOVERNMENT OF CANADA

DECENTRALIZATION PROGRAM

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the President of the Treasury Board. There were reports last night in the press and again this morning concerning an announcement that is alleged to have been made by the Minister of Finance that the government will be moving, to his riding, the philatelic mail order section of the Post Office. There has also been an announcement that it is the intention of the government to move the citizenship records division of the Department of the Secretary of State to Sydney, Nova Scotia.

I want to ask the minister whether or not that is true. If it is true, why is it being done in view of the fact that this program which the former Liberal government entered into, was perhaps the most cost ineffective one a Liberal government has ever entered into in its checkered history?

Mr. Crosbie: Checkered is right.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it is well known that there were a number of cancellations made by the previous Tory government, all of which, as I recall, were moves which happened to fall in Liberal ridings, such as the philatelic service in Antigonish, Nova Scotia.

Mr. Nielsen: Which ones didn't?

Mr. Johnston: The decentralization policy is one that was adopted by this government many years ago, and one which, I understand, has general approval as being a very sound policy in terms of helping develop certain regions of the country where there is additional employment and where there are cost benefits to be realized, and where sensitivity and service to the public are maintained.

This government has never backed off the policy, per se, of decentralization, in keeping with the criteria I have just mentioned. In due course I suspect that ministers will be making announcements from time to time of specific decentralization projects. For example, I recall my colleague, the Minister of National Revenue last year announced the move to Jonquières of the taxation data centre.

JUSTIFICATION FOR PROGRAM

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the minister is quite right. There were 19 projects cancelled or deferred by the Clark government for very good reasons.

Some hon. Members: Hear, hear!

Mr. MacEachen: All in Liberal ridings.

Mr. Baker (Nepean-Carleton): The cost was astronomical. It was $200 million in 1979 dollars. If the government required restraint at that time, this wasteful government requires even more restraint today.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Is there any possible way that such a wasteful, demoralizing, cost ineffective and patronage-ridden program can be justified in terms of restraint? Has the minister considered what his responsibilities are as President of the Treasury Board, who is supposed to be the guardian of the public purse rather than the guy who lets it all run out?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I neglected to congratulate the hon. member for Nepean-Carleton on his elevation to critic of

Treasury Board policy. I would like to welcome him to that post.

I am surprised the hon. member would regard this as an exercise in patronage. When I look at completion of projects, I see at Surrey, B.C., a data centre. I see in Winnipeg, Manitoba—

Mr. Baker (Nepean-Carleton): It is waste.

Mr. Johnston: I see in Fredericton, New Brunswick, in Halifax, Nova Scotia, and so on over a period of years, very successful decentralization projects. I am sure people in those areas would take great issue with the post facto declaration of the hon. member for Nepean-Carleton.

Mr. Baker (Nepean-Carleton): You are a spendthrift.

* * *

THE ECONOMY

INCREASED COSTS OF GOODS AND SERVICES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. Last year when there was a major increase in the cost of living, on a certain day the Prime Minister gave the condescending advice to Canadians that they should change their priorities. With the figures that came out today, with the single exception of food prices which went down for seasonal reasons, we have had a record increase in the cost of home ownership, a record increase in the cost of transportation, and a record increase in energy prices. Since these costs affect all Canadians, what advice does the Prime Minister give today?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure that any advice I would give would be described by the hon. member as condescending, and I wonder why he is asking me for advice.

An hon. Member: Kissy, kissy.

An hon. Member: Take a trip.

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, here we go again.

Some hon. Members: Oh, oh!

• (1140)

Madam Speaker: Order, please. Those who answer the questions I think could help the situation by simply concentrating on the questions rather than on the hecklers. I guess that does encourage the hecklers. I would ask the Prime Minister, and others, if they would just concentrate on answering the questions.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, I could not understand what you were saying because the howling mob over there was making so much noise.

Some hon. Members: Oh, oh!

Mr. Trudeau: I realize I have the sympathy of the members opposite. I want to tell them now that I am not going to raise my voice in order to be heard over a howling mob, which is a fascist tactic in the first place. Nothing obliges me in this House to shout, and I do not plan to do it. They can interpret it the way they want. I will give answers if people are interested in listening to the answers, but otherwise I wont't.

* * *

BANKS AND BANKING

PROPOSED MORTGAGE SCHEME

Mr. Edward Broadbent (Oshawa): Madam Speaker, for two days in a row the Prime Minister has used some heckling on this side of the House as an excuse to avoid answering serious questions. When is he going to assume the responsibilities of his office? I would like to ask him a question quite specifically concerning one area of major increase, and I refer to the cost of home ownership which went up some 13.9 per cent, a record increase, as indicated in the figures announced today.

Simultaneously it came out today that the banks, whose profits are at record levels, have announced what only can be described as a sleazy scheme to perpetuate unacceptably high mortgage rates and increased debt loads for home owners. Will the Prime Minister assure the people of Canada that the government will not accept this proposed scheme on the one hand and, secondly, will the government assume its responsibility by directing the banks to put up mortgage money that ordinary families in this country can afford?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would point out that the hon. member had absolute silence when he asked his question, and I expect that kind of silence when I give the answer. It is very simple. He talks about a "sleazy scheme". I do not know what the scheme is, Madam Speaker. I have never heard of it.

REQUEST THAT ACTION BE TAKEN WITH RESPECT TO BANKS

Mr. Edward Broadbent (Oshawa): Madam Speaker, it is a little disturbing that the man who sits just to his right, symbolically and literally, has his officials in active discussion, according to news reports, with the banks in developing this sleazy scheme. I want to ask the Minister of Finance whether he is aware of the scheme the banks and other financial institutions have said they have agreed to and, if so, will he assure the House that the government will not accept it? Secondly, quite apart from that, will he take concrete action to make mortgage money available via the banks whose profits are at unacceptable levels, so ordinary families can retain their homes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asks about a scheme that has been proposed by the banks. I noticed there was a press report saying that the banks had proposed a scheme that would produce mortgage rates of 16 per cent. The hon. member has added "banks and other financial institutions". To my knowledge there has been no scheme proposed by the banks and other financial institutions.

I mentioned yesterday that a week ago today the Bank of Nova Scotia and the Bank of Montreal released a proposed plan by which mortgage rates would be made available for renewers, and that plan would cost the Treasury on an annual basis about $500 million. If that is the plan the hon. member has in mind, it certainly has not been accepted by the government because, as I understand it, it would not be directed specifically to those most in need of assistance and might have spill-over effects that would help, to a great extent, the high income earners of the country.

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IMMIGRATION

ADMISSION OF POLISH REFUGEES

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The minister is no doubt aware of the extreme hardships facing Poland today and the mounting concern which Canadians with Polish relatives are feeling in their efforts to assist family members. Does the minister have any plans to respond to this increasingly serious situation for the Polish people, over and above the measures already announced for those Poles in the camps in Austria?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, during the last year we increased the level of nationals from eastern Europe from 2,000 to 4,000. This summer, in fact, we took an additional thousand and sent a special team to our offices in Vienna to process them. That team has just returned. We are meeting with them to discuss what additional measures might be taken, and I can tell the hon. member for Parkdale-High Park that this weekend, and on Monday, I will be meeting with members of the Polish Congress and community in Canada to discuss the additional measures we are presently looking at, to make sure we have full consultation with that community before we go ahead. I will be pleased to report to the member and the House on those measures as soon as those discussions are completed.

VIA RAIL

REQUEST THAT MINISTER RECONSIDER DECISION ON FUTURE OF PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. Each day more and more Canadians become horrified and angered at the prospect of losing their rail service, a service that is needed and used; for example, the Atlantic which carries 200 to 250 passengers in winter months and 400 to 500 in the summer months, the Super Continental which carries an average of 350 passengers daily, the Toronto-Havelock service, which carries 200 to 300 passengers daily, and the Toronto-Barrie service which carries 425 to 500 passengers daily.

Since the minister's decision is obviously based upon inaccurate or outdated information, Canadians and members of this House of Commons are wondering why the minister is proceeding in such a roughshod manner, ignoring the wishes of the people who are directly affected, ignoring the rights of Parliament and the CTC. I would ask the minister if he would not now reconsider his decision and at least defer the implementation of that decision until all the facts can be made known, either through the avenue of the CTC or by a proper reference to the Standing Committee on Transport?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, again today the hon. member asks me the same three questions in one sentence that he asked me two days ago. I have already given my answer to them. I am quite eager and willing to go to the committee of which he is a member, and explain the government's decisions, give the statistics, and elaborate on the policy we have adopted.

He should not give the whole series of numbers of railway travellers in the country. This is all well known. Last year VIA sold 7 million tickets and the amount of subsidies paid to VIA was $490 million. If one can divide, it is quite clear that every time VIA sells a ticket it costs the Department of Transport $70 in taxpayers' money.

The policy we have adopted is a rational one. It is based on the adoption of the concept of intercity transportation, the maintenance of one transcontinental, the maintenance of service to communities which would otherwise be isolated, and the transfer of commuter services to the provinces, where they belong in the first place.

I am quite eager and willing, and I anticipate with pleasure the delight of explaining all that to the committee. But there is no possibility of changing our position, which was a mature one, well thought out by the committee and the cabinet. It went to the economic committee of cabinet three or four times. It went to cabinet three or four times. We are not about to change that decision, which was a difficult one to make and was made in very great seriousness.

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Hon. Don Mazankowski (Vegreville): Madam Speaker, I am sure the minister knows that the figures which he cites are

as readily challengeable as his statement that you revitalize a rail passenger system by abandoning it. I challenge that statement in the same way. Since the announcement by the minister there have been obvious alternatives advanced, even by his own department and by VIA Rail, by which those heavily travelled routes could be retained while at the same time effecting some cost savings in the over-all VIA budget.

● (1150)

Would the minister not now consider producing those documents and studies, and refer those documents to the standing committee so they could be adequately considered and individual Canadians directly and indirectly affected will have the opportunity to come before that committee and respond? That will necessitate a deferral. Would the minister consider doing that, in light of the obvious alternatives which may produce a desired saving while at the same time saving some of the heavily travelled routes?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, what the committee will do is subject to the will of the committee. I understand its very able chairman is discussing that now with members from the different parties. We will leave it to him to develop a consensus on the subject.

I am aware that the member, who was my predecessor in the Department of Transport, was also concerned about the rising subsidies being paid to VIA. I understand he paid a lot of attention to it. The only conclusion I can reach from what he says now is that at the last moment he would have chickened out of making a decision.

* * *

INDUSTRY

LOCATION OF AEROSPACE TRAINING CENTRE INSTITUTE

Mr. Dan McKenzie (Winnipeg-Assiniboine): My question is directed to the President of the Treasury Board. In July a federally appointed task force studying the possibility of establishing an aerospace training centre institute recommended that it be established in Winnipeg. These recommendations were to be passed on to the President of the Treasury Board. Could the minister inform me whether he has made a decision and, if so, when will the funds be allocated so construction can be started in Winnipeg?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to answer that question because the report was prepared under my direction. We are presently examining a report—

Mr. Clark: In what capacity?

Mr. Axworthy: As the minister of employment looking at the whole area of supply of skilled labour in the aerospace industry. We are looking at a number of recommendations made by that industrial group. It has just put forward a number of proposals about how we can genuinely increase the supply of skilled workers for this very critical industry across Canada. We are looking at and discussing that report with those directly concerned, and we will be making recommendations to cabinet shortly. At that time I am sure the hon. member will be well informed of that decision.

REQUEST FOR COMMITMENT TO WINNIPEG SITE

Mr. Dan McKenzie (Winnipeg-Assiniboine): There seems to be considerable pressure from the Quebec caucus and from the minister of energy that they want this institute located in Quebec. Will the minister inform us whether the institute will be definitely built in Winnipeg? Will he be able to fight off these Quebec forces? Let us stop writing off the west.

Some hon. Members: Oh, oh!

An hon. Member: Cheap!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to point out to the hon. member that it is not our style or approach to pit one region against the other.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Axworthy: I also want to say in this case—

An hon. Member: Stop smiling, Lloyd.

Mr. Axworthy: —because the question of supplying skilled workers for the aerospace industry is one of national concern affecting all regions of the country, I am sure we will find proposals which will satisfy the needs of every region of Canada and not select one against the other.

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EXTERNAL AFFAIRS

EL SALVADOR—POLICY OF CANADIAN GOVERNMENT

Mr. Bob Ogle (Saskatoon East): Yesterday, following my questions to the Prime Minister, I carefully read *Hansard*, as well as going over the tapes. I feel my question was not answered at all. I want to ask the Prime Minister, in his position as head of our country going to Cancun for the meeting on North-South issues, and because El Salvador is a typical example of an underdeveloped country suffering great oppression, what is Canada's policy on El Salvador at this time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are two problems I believe the hon. member has in mind. One is the economic North-South problem. The other is the political problem of the civil war in that country.

I would be in agreement with the conclusion of the hon. member and the hon. members of the committee who dis-

cussed the North-South problem that there would be less tension in the world if there were more justice in the rapport between the poor and rich countries. If there were more justice, there would be less disturbance in those countries. As far as the North-South tack on the problem of El Salvador is concerned, I think I would be in harmony with the hon. member's thinking, in that regard.

In regard to the political problem, particularly civil and military disturbances, I cannot agree with the position that the hon. member suggested yesterday was that of a great number of countries in supporting the Portillo-Mitterrand statement. I think it is an exaggeration to say their position has been supported by many countries. A few Latin American countries, including Cuba and Nicaragua have supported it, but I am informed that Panama has not, nor has Norway, contrary to what the hon. member has said. Our position has been stated in the House by the Secretary of State for External Affairs—

An hon. Member: Both with Conservative governments.

Mr. Trudeau: The hon. member has great knowledge on the subject—I agree with the minister behind me, Norway is not a Conservative government. Nor is Panama.

An hon. Member: You had better check.

An hon. Member: They have not taken office yet.

Mr. Trudeau: We know that the government in El Salvador has called for elections at the municipal and regional level. They are organizing those elections to be as free an expression of the peoples' will as possible. They realize the danger of strife from one side or another.

They are planning to make those elections available to the people through the television and radio media. They are honestly trying to get an opinion of the people on what the government of that country should be.

They have asked the OAS to send representatives. I think it is incumbent on both sides to make an effort to have these elections—at least in the municipal and regional levels—held in a fair and just manner. If they can, that is the proper way to set up a government, not establishing a co-junta which would not have the people's authority. If there can be a fair test of the people's will, I believe that is the course that should be followed and encouraged.

Some hon. Members: Hear, hear!

STEPS TO IMPLEMENT CANADIAN POLICY

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I believe the chance of having elections at any level in El Salvador has passed as a possibility. Indications are that violence has cleaned out all the opposition or they are now in exile. Would the Prime Minister tell us what Canada would be ready to do in fulfilling the policy he believes is still possible?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the government of El Salvador has suggested there might be international observers apart from those of the OAS whom they have invited. That would open the door to other international observers. Maybe Canada, maybe members of this House would volunteer to be observers in that process. If so—

Mr. Paproski: I will go.

Mr. Trudeau: The hon. member from Edmonton says he would like to go.

Mr. Paproski: I will go with you, Pierre, as long as you go first.

Mr. Trudeau: I am sure he would be a good target for those who don't like—

Some hon. Members: Oh, oh!

• (1200)

Madam Speaker: The hon. member for Calgary West.

Mr. Hawkes: Madam Speaker—

Madam Speaker: Order, please. I just noticed the Right Hon. Leader of the Opposition seeking the floor. I would ask the hon. member to defer to his leader.

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THE BUDGET

PRESENTATION ON TUESDAY, NOVEMBER 3

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a simple two-part question for the Minister of Finance. First, does the minister know the date of the budget? If he does know the date of the budget, will he have the courtesy to tell the House of Commons that date today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will be glad to give the date to the Right Hon. Leader of the Opposition. It had been my plan, as stated by the Prime Minister, to bring in the budget in the month of October. As the right hon. member knows, since that time the Prime Minister has suggested that there be a meeting of federal provincial premiers in that week. Because of that event and the probable necessity of taking action in the House, I have now decided to make it clear to hon. members that I have set the budget date for November 3.

Some hon. Members: Hear, hear!

REQUEST FOR MEASURES TO AID ELDERLY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we are pleased to at last have that date, although there are many people in the country who believe that acting

on the economy is a priority more urgent than dealing precipitately with the Constitution.

Some hon. Members: Hear, hear!

Mr. Clark: My question now has to do with the contents of that budget. The Minister of Finance has spoken about the increase in the GIS. He will know that, according to both the Canadian Council on Social Development and Statistics Canada, even with that increase, some 1.5 million elderly Canadians are today living below the poverty line. He will also know that his energy policy has resulted in an increase in home heating fuels for these and other Canadians of 55 per cent. He will know that we proposed aid to those people, both through reduced increases in heating oil costs and an energy tax credit. He has refused to help those low-income Canadians.

Will the minister tell us now whether his budget will provide specific help for the 1.5 million elderly Canadians living below the poverty line, people who have been severely hurt by the deliberate policies of his government, or does he intend to ignore these people and leave them literally out in the cold this winter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when the right hon. gentleman allowed his minister of finance to bring in a budget, he established a price schedule of energy increases which were higher than those that are now in place as a result of agreement.

Some hon. Members: Oh, oh!

Mr. MacEachen: When he permitted his minister of finance to bring in that price schedule, he also permitted him to bring in a budget that made absolutely no provision by way of increase in the guaranteed income supplement. We brought in that measure, which is significantly better for that group of people than the energy tax credit for which they would have had to wait a year and a half.

Some hon. Members: Hear, hear!

Madam Speaker: A very brief supplementary for the Right Hon. Leader of the Opposition.

PLIGHT OF PEOPLE WITH LOW INCOMES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the minister's statements today have the same truth as his statements about energy before the last election. I am not particularly interested in an exchange of arguments about figures with the Minister of Finance. I am interested in the plight of 1.5 million elderly Canadians living below the poverty line faced this year with a 55 per cent increase in the price of home heating fuel. The Progressive Conservative budget provided help to those Canadians. The Liberals refuse to help them.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, I would rather hope that there might not be that howling from the howling mob across the way.

Mr. Trudeau: What's the matter? Can't you take the heat?

Mr. Clark: The Prime Minister asks if I can take the heat. The problem is that a million and a half low-income Canadians cannot take the cold this winter. They will not be able to. The Prime Minister might find the plight of elderly Canadians amusing. We on this side of the House do not find it amusing. We want the government to help them.

Madam Speaker: Order, please. I think the Right Hon. Leader of the Opposition knows it is past the time at which we should be getting to Routine Proceedings. I allowed the question, but it will have to be brief.

Mr. Clark: I should not have responded to the hecklers, Madam Speaker. I apologize for that. Will the Minister of Finance include in his budget some help to those low-income Canadians who have been so deeply imperilled by the price increases introduced directly by this government, or does he intend to continue to ignore low-income Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot understand why the Leader of the Opposition wants to erase from the record his period as Prime Minister when he proposed to this House energy price increases greater than those that are now in place because of an agreement reached between the government of Alberta and the federal government.

When this government was trying to get a better deal, trying to get the lowest possible increase in energy prices, the hon. member for St. John's West was telling the Premier of Alberta, "Hang in there, Peter". I did not hear the Leader of the Opposition asking him to lay off, or asking the Premier of Alberta to take a more moderate view. The fact is that the Leader of the Opposition said nothing. He had no energy policy in that period.

Some hon. Members: Hear, hear!

* * *

PETITIONS

TABLINGS OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Thursday, October 15, 1981, and find that they meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MISS MacDONALD—BURDEN OF HIGH MORTGAGE RENEWAL RATES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I ask leave to present a petition from 768 residents of the city of Kingston, Kingston Township and Pittsburg Township, protesting the unbearable burden that high mortgage renewal rates are placing on home owners.

They fear the loss of their homes and ask that the government immediately introduce measures to relieve oppressed home owners and, at the same time, return unemployed building trades people to productive work. I feel that the views expressed in this petition have the endorsement of Canadians from coast to coast.

MR. CLARK—EFFECTS OF HIGH INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have more petitions to present today from individual Canadians who are bearing the burden of the deliberate high interest rate policy of the Government of Canada. Some of these petitions today come from the constituency of the minister responsible for housing. I would beg leave of the House to lay upon the Table the signatures of some 199 residents of the city of Scarborough.

In addition, I would like to add to the list of 3,478 names from Saint John, New Brunswick submitted earlier this week, a petition signed by an additional 2,311 residents of the city of Saint John seeking some redress from the deliberate high interest rate policy of the Liberal government.

MR. COSGROVE—REQUEST FOR COPIES OF PETITIONS

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, yesterday after the presenting of petitions I had someone approach your office with a request that apparently has not been made before, that copies of these petitions that are made available and obviously directed toward an area of jurisdiction that I entertain be made available to me so that I can respond individually to them.

Mr. Nielsen: You can get them any time you want. They are on the Table.

Madam Speaker: That can and will be done.

* * *

● (1210)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 1,996, 2,285, 2,685, 2,721 and 2,749.

[*Text*]

CABINET MINISTER USING DND AIRCRAFT

Question No. 1,996—**Mr. Cossitt:**

Will the Department of National Defence adopt a policy of making available at the end of each calendar month, a list of all aircraft used by cabinet ministers including the name of the ministers, the dates used and the points of origin and termination and any stops in between and (a) if so, on what date will it be adopted (b) if not, for what reasons?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): As stated in response to question No. 169, by Mr. Cossitt, which was tabled and printed in *Hansard* on October 7, 1980, page 3,419 and 3,420, travel on DND aircraft by cabinet ministers and Members of Parliament is controlled by the Minister of National Defence. The list of executive aircraft used by cabinet ministers, as approved by the Minister of National Defence in accordance with the guidelines outlined in question No. 169, will be available on a monthly basis effective October, 1981 (on request).

MR. ALAN MARTIN

Question No. 2,285—**Mr. Lewis:**

Was Mr. Alan Martin, a Liberal candidate in the 1980 election, employed by the government from February 18, 1980 to date and, if so (a) what was his annual salary and what were his duties (b) for how many working days was he employed (c) was an expense allowance paid to him and, if so, in what amount?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): In so far as the office of the Auditor General is concerned:

(a) For the period June 5, 1980 to September 30, 1980, Mr. Alan Martin was employed on contract at the rate of $450 per day, as a member of an Audit Advisory Committee;

(b) 4.6 days;

(c) No.

In so far as the Department of Public Works is concerned: Mr. Alan Martin was engaged by contract on July 21, 1980.

(a) No annual salary was involved. Payment for services was at the rate of $350 per diem. His duties were as follows:

"To prepare a report including recommendations for management improvement in the office of the minister, based on an analysis of the office organization, methods and procedures and personnel employment and requirements, with due regard for effectiveness, efficiency and economy."

(b) The equivalent of seven working days.

(c) Travel expenses were paid in the amount of $322.15.

In so far as the National Capital Commission is concerned: Mr. Alan Martin has not been employed by the commission. However, he was appointed a member of the National Capital Commission for a term of three years, effective March 13, 1981. As a member he receives no salary or emolument but he is entitled to be paid reasonable travelling and other expenses incurred by him in the performance of his duties. (National Capital Act. 1958, C. 37, S7).

In so far as the office of the Comptroller General of Canada: Mr. Alan Martin was employed under a personal services contract in September, 1980, and paid a fee of $1,225 plus travel expenses of $265.70 for a total of $1,490.70. His duties were as follows:

> "to review parliamentary documents and provide advice to the minister on their appropriateness".

In so far as the other departments and agencies are concerned: No.

COMPLAINTS TO POST OFFICE

Question No. 2,685—**Mr. Beatty:**

1. Since March 1, 1980, what was the total deficit of the Post Office Department?

2. For the same period, how many complaints of lost or delayed mail were received by the Postmaster General?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Since March 1, 1980, to June 30, 1981, Canada Post's total deficit was approximately $685 million.

2. For the same period as above, the Postmaster General received 5,661 complaints of lost or delayed mail.

PERSONS ALLOWED BAIL ON CHARGES OF RAPE AND MURDER

Question No. 2,721—**Mr. Beatty:**

1. For each year since 1975, by province or territory, how many persons were permitted to await trial on bail on charges of (a) murder (b) rape and how many (i) did not subsequently report for trial at the appointed time and place and what was the offence with which they were charged (ii) are currently still at large?

2. How many such persons (a) were ultimately convicted of the crime with which they had been charged (b) are currently awaiting trial?

3. How many such persons were charged with committing a second offence while on bail and, of these, how many (a) were subsequently convicted of the second offence (b) are still awaiting trial for the second offence?

4. How many persons charged with (a) murder (b) rape are currently out on bail awaiting trial and what is the distribution by province or territory?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):

No information on which to base answers to this series of questions has ever been gathered on a national basis. The administration of criminal justice is, constitutionally, a matter for the provincial authorities. No consistent reliable or comparable data has been published which would aid in the answers to these questions.

However, it is hoped that programs now being developed by the new Canadian Centre for Justice Statistics, a section of Statistics Canada, will eventually permit such information to be collected on a national basis.

SOVIET DIPLOMATS EXPELLED

Question No. 2,749—**Mr. Munro (Esquimalt-Saanich):**

1. During the calendar years 1968 to 1980, by country, how many individuals were declared *persona non grata* and expelled from the embassies of the U.S.S.R. and the Soviet satellites?

2. In each case (a) what was his/her name (b) did he/she have a connection with the KGB or the relevant national intelligence service and, if so, what was the connection?

3. Was a connection established between the diplomatic appointees to Canada and local Canadian organizations such as the FLQ or the Communist Party of Canada and, if so (a) what was the connection (b) which individuals were involved and with which organizations?

4. Were any of the individuals declared *persona non grata* elsewhere, before coming to Canada, and, if so, how many and what was the name in each case?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Twenty.

2. (a)

V.S. Didenko	U.S.S.R.	1968
J. Hegidus	Hungary	1970
V.M. Vasiligen	U.S.S.R.	1976
I.P. Vartanian	U.S.S.R.	1978
N.M. Talanov	U.S.S.R.	1978
A.A. Mikhalin	U.S.S.R.	1978
V.A. Borishpolets	U.S.S.R.	1978
V.L. Suvorov	U.S.S.R.	1978
V.I. Oshkaderov	U.S.S.R.	1978
Y.K. Koblov	U.S.S.R.	1978
G.V. Ivaskavitch	U.S.S.R.	1978
O.D. Reztsov	U.S.S.R.	1978
V.A. Reztsov	U.S.S.R.	1978
P.R. Lillenvrm	U.S.S.R.	1978
V.D. Veher	U.S.S.R.	1978
A.V. Krysin	U.S.S.R.	1978
I.A. Bardeev	U.S.S.R.	1980
E.I. Aleksajan	U.S.S.R.	1980
V.I. Sokolov	U.S.S.R.	1980
V.F. Trofimov	U.S.S.R.	1980

(b) It is not the practice to reveal what is known about specific intelligence service affiliation of foreign officials.

3. In no instance was the basis for declaring these officials *persona non grata* related to a connection with the FLQ or the Communist Party of Canada.

4. As far as the government can determine, none of the above individuals had previously been declared *persona non grata* elsewhere.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Thursday, October 15, consideration of Bill C-48, to regulate oil and gas interests in Canada Lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 34 (Mr. Ittinuar), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton) and 57 (Mr. Fulton).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a point of order with regard to the groupings. I do apologize for raising another one, but I want to ask the indulgence of the House to alter the grouping slightly. You will note in the decision of the Chair regarding the grouping of Motions Nos. 4, 34, 51, 52, 53, 55, 56, and 57 that the voting procedure to be followed was that the question on Motion No. 51 would be put to the House and the vote on this motion would dispose of Motion No. 4.

Having had an opportunity to look over both of those motions, I want to suggest it would be inappropriate to dispose of Motion No. 4 with a vote on Motion No. 51, given that Motion No. 4 deals simply with the clause of the bill dealing with definitions, while the clause referred to in Motion No. 51 relates to the provision dealing directly with oil and gas spills. Thus the two are not necessarily related one to the other. The definitions clause would stand on its own merit, even if Motion No. 51 were to be rejected.

I should like to ask that we divide Motions Nos. 51 and 4 into two separate votes.

Hon. Erik Nielsen (Yukon): I should like to have the attention of the Chair because I have a suggestion to make that concerns the Chair. I had no prior knowledge that the hon. member was going to raise this point of order. Since it requires a careful reading of the motions that he speaks about, and since there is no urgency in making an order on the matter today, I suggest the Chair hear final argument, if any, on Monday, since we will be on the same item of business on Monday, and suspend any action at this time.

Mr. Deans: I have no objection to that suggestion.

Hon. Yvon Pinard (President of the Privy Council): Agreed.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, having spoken on this subject so many times before in the House of Commons, my first response to an invitation to speak about environmental legislation might simply have been to file my many speeches contained in *Hansard* and the minutes from the environment committee meetings that I have made over the past seven years.

During that time the government has continued to fail to add real substance to all environmental legislation. As far back as January 31, 1978, the then member for Bonaventure-Îles-de-la-Madeleine said, of my private member's attempts to place environmental legislation before this House of Commons: "First, I would like to congratulate my colleague from Fraser Valley West because, as I have just said, he is a member of the Standing Committee on Fisheries and Forestry and is greatly concerned with the environment. It could be perhaps said, as all members of this committee are aware, he certainly shows great obstinacy about this problem."

That is why I am standing again today, Mr. Speaker. I should like to continue that obstinacy and my fight for the environmental ethic that is right, that is known to be right, if not by this generation of legislators, certainly the next generation of legislators that will replace us here.

So often the government has brought forward legislation on the environment that is sound in principle, sound in intent; but when you start to look at it, it is full of qualifications, discretion and loopholes; so full, in fact, that the intent is totally negated in the final version of the legislation. This bill is certainly no exception. Having spoken out strongly and in a supportive manner on the environment, the environment has still been given a back seat to the expediency of the energy crisis.

The point is important because of the flexibility the government has established. The response by the Minister of Energy, Mines and Resources (Mr. Lalonde) is that we need to have good faith—that the government will act and that the government needs discretion. It needs a lot of "may". There are a lot of "ifs"; if this happens, something else will happen. The "mays", the "ifs", the "discretion", are subjective. This subjectiveness is relative and changeable according to the basic intent of the individual minister that holds that portfolio, of the government and of the broad will of the population meeting any immediate crisis as it sees it at that time. Therefore, we need to look at the government's intent.

As I look at the government's intent over the past seven frustrating years, I find that intent is very questionable. While it might initially sound good, the practice has not lived up to any of the billing that has, in fact, been brought forward in the placement of legislation before the House of Commons. For example, one of the main factors we see in this legislation is that the Department of the Environment is not the "need" agency again.

What does this allow for? The Department of the Environment, when the environment is being endangered, is the front line of protest. The Department of the Environment listens sympathetically. It indicates it will press the government; but, of course, it makes the usual qualification that all it can do is press the government because it has no authority.

I am not just imagining these things, Mr. Speaker. These are statements that have been made by ministers. These excuses have already been used time and time again when we are faced with an environmental crisis or threat of any kind.

For example, in 1976 we were talking about Beaufort Sea drilling. We had legislation before us at that time that provided that the minister of the environment "may"—again at his discretion—do certain things. Which minister was the legislation talking about? It was not talking about the then minister of the environment. Even the Minister of the Environment has "mays" and "ifs"; but in this case they are talking about the minister of energy.

● (1220)

In response to that drilling in the Beaufort Sea, the minister of the environment said on March 19, 1976, in the forestry committee, in reply to a question by myself:

> Of course, we do not have the authority to oppose in the sense that we can block the decision.

They can only advise. Those are the words of the minister. Under the bill before us the Minister of the Environment will also be able to say, "I do not have the authority". He does not have the authority because this bill did not give the authority to the correct minister, the Minister of the Environment.

Then he was asked, "Who has the authority?" He went on to say:

> The permit is issued by Northern Affairs, not by us.

Thus, they are not responsible, and that is the end of the issue. Where do we go from there? We go back to the vested interest instead of in fact a person who has the specific vested interest of the environment and the capacity to act.

The next thing the government tends to do to ensure that one cannot pin down who is really responsible is that it divides the jurisdiction between two, three or four departments. Then each department in turn passes the buck to the next department, and then one gets going in this big circle. I have been through the circle. Anyone who has tried to do anything in the environment has been through the circle. By the time one gets through that circle, one is so tired and worn out, because there has been so much verbiage, that one does not know where to go, so one gives up. The process itself, the sand-in-the-gears process or the passing-the-buck process, in fact destroys the whole capacity of environmental people who are genuinely concerned. It destroys their whole thrust and, in effect, the vested interest rides over in its traditional manner through its access to government. This is again an example of split authority.

When I first came here I complained about these things, but I had no personal experience to show that they were true. Now I have sat through the proceedings of the committee and of the House of Commons. I see what is happening now. It is another piece of legislation where exactly the same thing will happen.

I asked the then minister of the environment, Mr. Marchand, whether he thought he should have the authority. I have referred to. Well, he wanted to say, "I think it would be a good idea", but he stopped right there, caught himself and realized that he was not supposed to say that. He went on to say:

> You know what kind of jurisdiction we have in Environment, and as the federal government. This jurisdiction is not only split between departments, it is split too between federal and provincial governments.

After we get through three federal departments, down through that cycle, then the next cycle to which we are referred is back to the provincial. Then after that we will be referred back to the municipal. I have been through that cycle too. We sat in White Rock and saw desperate local politicians watching an identified oil slick floating toward the shoreline. I might say that it was a beautiful shoreline. I was a member of the provincial legislature at that time. I was frustrated. I got on the telephone and called the provincial authorities. They said, "No, the oil slick is way out there. It is out in federal jurisdiction; there is nothing we can do." Then it floated to shore. As the tide went out, it was left on the shore and they said, "It is now on the shore; that is municipal jurisdiction". Of course, the municipality had no equipment to fight it. Then what happened? The oil sat there on the shore and in the end the municipality cleaned it up with a bunch of environmental volunteers. The government passed this buck from department to department.

The legislation before us maintains that trend. While it sounds good, it will ensure that there is very little effective result for the people who will be damaged or may be hurt by the actions of the government in co-operation with vested interests. By the way, I respect those vested interests. I respect the need for development. I want the need for development. I do not want to see environmental legislation ever become sand-in-the gears. The government shows an intention, but in fact it is a sand-in-the-gears process.

We need to clarify and make more expedient all environmental law. This bill had potential. When we started with this bill and its expression of intent, it had potential. Again, as expected, that potential has been limited to such an extent as to make it relatively ineffectual. There is another example. We can go from 1976 to 1979. One would think things would have improved three years later. In response to my question, as reported on page 3 of the March 19, 1976, committee meeting, Mr. Marchand said, "I do not have the authority." Actually in that case I think the minister did not want the authority or the responsibility because to be minister of the environment is not an easy job. It is a job where one must make decisions or should have to make decisions. One should be forced by legislation to be able to make decisions and to make decisions stick in the best interests of the environment and of the nation as a whole as it relates to its productivity. We see a shifting of responsibility. I talked about that oil spill and the minister replied on March 20, 1979:

> —in the case of this particular oil spill, the Coast Guard and the Ministry of Transport are the lead agencies.

Again it is, "Not me, not me". As we travel on through piece of legislation after piece of legislation, indeed it is unfortunate that these things continue to happen.

I have many specific concerns about this bill. My concerns relate mostly to the fact that this bill should have provided an opportunity to the House of Commons. It should have been

one of our last opportunities to entrench environmental principles, values and ethics into the legislation. The reality of the government has shifted. The expediency has shifted slightly toward energy expediency as opposed to environmental reality. But this was a chance. We might not get another chance for a long time. I have been sitting here for a long time awaiting environmental legislation so that we could discuss the issues again and reinforce the issues. At a time when environment is slipping, it needs more emphasis, not less, in the longer term interests of our nation.

This specifically was an opportunity to include some form of automatic or compulsory before the fact environmental impact assessment rather than a specific environmental impact assessment law. We now have some review procedures which are very fuzzy and woolly on the "may" flexibility attitude. This would have been an opportunity to include some "shalls" and an automatic provision for environmental impact assessment.

Now we tend to wait for an accident to occur. The oil arrives on the shore or appears underneath the ocean from a broken pipeline or whatever. The damage is done. Then they say, "We must make an assessment of the damage." They are willing to assess the damage, but they are not really willing to put an assessment on the potential of damage to prevent it before it happens. The whole thrust of legislation starts from the crisis backwards, instead of anticipating and preparing for what might occur through an initial environmental impact assessment. I am not saying that this assessment needs to be long or complicated, but we need that initial assessment. It needs to be a "shall be" assessed, not a "may be" assessed, as this legislation and all other environmental legislation before the House of Commons in fact indicates.

I might make one minor exception. The current minister put some teeth into the Fisheries Act. He tried to remove an awful lot, but he put some in. It is too bad that the government did not have the same initiative and incentive to do so in this piece of legislation.

• (1230)

I am concerned about access to public information—not just access but about freedom of information and public access as well as the publication of that information. It is one thing to table a document in this House and make it public, but it is another to have that document available to the public. As usual, that opportunity is missed in this piece of legislation; it should be there.

This legislation could have firmly established the Department of the Environment as a lead agency of government. I want to come back to the question of what the intent of the government is. Does it intend that the environment should be a major factor in this bill? The intent that the government demonstrates is that the Department of the Environment will not be the lead agency. I think this is the beginning of the end of a phasing out of the Department of the Environment. It will become less and less important. Since the time that Madam Speaker was minister of the environment, virtually nothing has happened. This is the first real response in any form of legislation and that is unfortunate, as I see it as a downgrading.

We are almost back to the point of wondering whether the Department of the Environment is necessary at all. When confederation was conceived and the division of authority and responsibility was listed, the environment was not included. At that time people did not think about it but in the 1960s and 1970s it was determined that the environment was important, as it is today and will be tomorrow, and they realized that an ongoing emphasis should be placed on it. Where is that enthusiasm now? At least it established a very professional bureaucracy. We have a competent, complicated bureaucracy in place now and there are competent support groups in the community that bring forward very informed and enlightened information on the environment. The structure is there but the power has not been handed over. The government has not handed over the power because it does not have the intent or the will to establish the department as a lead agency of government. I am concerned about that, Mr. Speaker.

I am also concerned about the control of the environmental studies revolving fund. How is it possible that something with that name could come under the jurisdiction of the Department of Energy, Mines and Resources? If that is not obviously an environmental matter, I do not know what is. Why was it not placed under the jurisdiction of the Department of the Environment? That question has not been answered.

I am concerned that the liability provision is too limited and access to benefits is too difficult and improbable. The limitation period is too short. We seem to have the idea that once a problem occurs, we handle it and that is the end of it, when actually environmental problems are often of a long-term nature. That liability should be covered in the legislation and it is not. The period mentioned is too short.

I have mentioned the lack of clarity in regard to jurisdiction and authority and I should like to emphasize it again. We must decide who is responsible and give them full responsibility. If the Department of Energy, Mines and Resources is to have input, that is fine; if the Department of Indian Affairs and Northern Development is to have input, that is fine too; but the authority should be given to the environmental agency, the lead agency. This would make for speed and it would clearly help industry and environmentalists to know where the buck stops. They would know that their objective could be reached or rejected, instead of going around in circles.

I am also concerned about the potential irrelevance and the waste of time and money in the allocation of what may turn out to be senseless programs. I am not sure that the Department of Energy, Mines and Resources or the Department of Indian Affairs and Northern Development can establish the priorities for spending the limited funds available for compensation or for studies. The bureaucracy with the expertise is within the Department of the Environment, not those other two departments. The control should be placed with it so that we can be sure the money will not be wasted on patronage projects. Even worse, in my opinion, is that if the Department of Energy, Mines and Resources allocates the money, it will go

to buy apologists for what that department wants to do to the Department of the Environment. It will pit environmentalist against environmentalist and leave no money, no authority, no ability with the Department of the Environment to prepare its case. Instead, the other side will be funded. Again, the vested interests receive the advantage and the case for the environment is unheard.

I see that my time is drawing to a close, Mr. Speaker, so I shall conclude.

The Acting Speaker (Mr. Ethier): Order, please. I was going to signal to the hon. member that his time has expired, but nevertheless he could continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Wenman: Mr. Speaker, I will quickly conclude.

Mr. Wilson: Take your time.

Mr. Wenman: It is good to see that a Conservative conservationist is in favour of that ethic, too. It is not the preserve of any one party or any individual in this House.

The environmental ethic grew out of political expediency. The government is now trying to kill the momentum of earlier initiatives on the environment to meet the new political expediency that it now perceives as the energy crisis. The government is wrong, philosophically and morally, in its attempt to have its cake and eat it too.

Although members of the environment community are young, they will not be defeated in this case. Young as they are, they are also intelligent and articulate and will not be deceived by this double standard or the confusions that I have mentioned. While some in this community have been bought as apologists for the vested interest of government and big business, the younger generation has environmental ethics implanted deeply in its value system. It is unfortunate that they and Canada will have to wait for their generation to replace ours in order to accomplish the potential and the protection of our environment in a legislative format in this great country of ours.

Some hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have an opportunity this afternoon to speak to this particular grouping of motions. It is a very important grouping and refers to the very sensitive environment of northern Canada and offshore areas as well as to the people of northern Canada.

When Bill C-48 was introduced some months ago, I listened to the minister articulate at that time the general thrust of the bill and it sounded nothing short of excellent. It was an effort to begin a process of Canadianization of the petro-chemical industry, starting with oil and gas. There was a sensitivity toward a northern environment and the offshore environment as well as a sensitivity toward people from northern Canada.

Members of this party felt very good about the bill. Then, of course, it went to committee and we had an opportunity to examine it clause by clause and very quickly changed our minds. Upon analysis, the bill showed a real contempt for the people north of 60, an insensitivity to the cultures that exist north of 60 and a complete disregard for and insensitivity toward our fragile northern and offshore ecology.

• (1240)

This does not come as a particular surprise. I guess one has to say that one is a bit ashamed to have some optimism in the early stages of this discussion to think that, in fact, the Liberal Party had changed its tack and was now going to become a party of sensitivity toward the environment and to the people of Canada, especially to the people of northern Canada. As of late, we have seen something in British Columbia which I think demonstrates this even further. That is the decision of the British Columbia government to proceed with burning Hat Creek coal, extremely low grade coal, in an effort to generate electrical power for British Columbia and for export.

At the same time, we understand that concerns about acid rain are increasing, and that there has to be a concern, like never before, regarding the effluent limits, the quality of our effluent entering the atmosphere, in an effort to combat the hazards of acid rain. However, when I inquired of the Minister of the Environment (Mr. Roberts) how he felt about the Hat Creek proposal, which is a proposal to burn vast amounts of extremely low grade coal with extremely high ash content and with an extremely high content of sulphur and nitrous oxides, his response was, "We have regulations in place now; everything is fine, thank you". That was contrary to the report that the parliamentary task force came out with just a few days ago, indicating that, indeed, things are not all right and that very strict and courageous legislation is required, and required immediately. I, for one, am not optimistic that those difficult and hard decisions will be made, because it would require a government which has a commitment to the environment and a commitment to making difficult decisions; and neither of those commitments adequately describes the Liberal Party of Canada.

I think that the thin edge of the wedge began to show in the committee when the recommendation was that the committee travel throughout northern Canada in an effort to allow northern Canadians to have input into this particular discussion. Now who in their right mind would say that taking discussion of this particular bill, Bill C-48, throughout the part of Canada which will be directly involved would be a bad thing to do, would be too expensive and would be unnecessary? The government decided that. The members of the government on that committee decided that, no, they did not want to seek public input. They did not want to go to the northern parts of Canada and allow people to have an adequate say in this particular piece of legislation.

While I notice that hon. members across the aisle are nodding that that is not the case, sitting through those committee sessions it became very clear that public input of any

real substance would not be sought; indeed, the committee members voted in that way, through a stacked vote, to ensure that northern peoples would not have opportunity to dialogue on this important piece of legislation.

It begs the question: Why is the government afraid of public input on Bill C-48? I suspect that in the hearts of government members, they know that what they are attempting to do with Bill C-48 is inappropriate as we enter the 1980s. When I say "inappropriate as we enter the 1980s", I refer to a sensitivity which is growing across the country, particularly with young people. There is a growing understanding of our complex ecological environment, and understanding of the intricate and comprehensive ecological webs that make Canada possible, and a growing understanding of the fragile and unique environment north of 60. Here is a part of Canada which still bears the imprints of groups of people who lived in that environment decades ago. Machinery which was brought into the area 40 or 50 years ago still leaves its imprint across those tundra wastes. Ask the native people of northern Canada what has happened to the caribou herds, to the movements of the sealing populations, and to the whale hunt. One could go on and on but the response will always be the same. They are changing, and changing not for the improvement of life north of 60, but changing for the betterment of life south of 60.

The intent of Bill C-48 is to accelerate exploration for oil and gas in the lands that we call Canada lands, including the Yukon, Northwest Territories and offshore. The Minister of Energy, Mines and Resources (Mr. Lalonde) says that it is a step to Canadianize the oil and gas industry. What we are saying in these particular amendments we are debating at the moment is that, regardless whether these are foreign companies operating in the sensitive environmental areas or whether they are Canadian owned and controlled companies, the problems are still the same.

This bill lacks sensitivity to that very crucial and critical environment, both in human and in natural terms. We are going to be seeing the decimation of a culture that we have come to describe as the Inuit culture. We are going to see the disappearance of the Métis culture of northern Canada, and we are certainly going to see the ecological balances of northern Canada upset dramatically if Bill C-48 proceeds as it is presently proposed.

The hon. member for Fraser Valley West (Mr. Wenman), who spoke previously, indicated that real environmental impact assessments are not called for in this legislation. In any textbook, in any symposium, or in any discussion around a sensitive environment, the bottom line that one would always expect is the need for a sophisticated system of environmental impact statements; but Bill C-48 virtually totally ignores that. It is after the fact, which again portrays and demonstrates very clearly this government's lack of interest in preserving that fragile ecological balance in northern Canada and offshore.

Exploration, at what cost? I become very frightened when I look at bills such as Bill C-48 and see all of the powers that are vested in ministers' discretion. I become very concerned when I see the Minister of the Environment, the Minister of Fisheries and Oceans (Mr. LeBlanc) and the Minister of Indian Affairs and Northern Development (Mr. Munro) being given the power to make decisions on the state of affairs on the Canada lands. This is no reflection necessarily on the existing ministers. They are all fine and very capable individuals. They are not here, of course. However, what about future ministers? What about people who will be filling those positions in years to come? Do we have confidence in those people? We do not even know who they are; yet Bill C-48 is asking us to have open-ended confidence in the Liberal government, in the Liberal cabinet, in their ability to make decent, sensible, sensitive decisions regarding, primarily, the lands north of 60.

An hon. Member: Good guys.

Mr. Riis: One might be very reluctant to give them that vote of confidence today, let alone an open-ended vote of confidence for the future; yet this is what Bill C-48 is requesting of us.

I want to identify two or three areas in which I think the government's insensitivity toward the environment in this legislation is very clearly demonstrated. In the northern parts of Canada, in excess of 150 different sites are now internationally recognized as being critical, historic, preservable, ecological areas. The recommendation is that they should be preserved intact so that for generations to come people will be able to benefit from the knowledge, understanding and appreciation of those particular areas. There is no formal protective status in Bill C-48 for these 150 special world sites. I am sure I speak for everyone in this House when I say that we are concerned about the wildlife of northern Canada. We recognize that we are viewed the world over as having special concerns about our wildlife in the north.

• (1250)

While we have taken some small steps over the last number of years to preserve the wildlife of Canada, only six federal wildlife biologists are given the responsibility for that vast expanse of northern space. How on earth could six wildlife biologists even begin to patrol and manage that particular area adequately? They would have difficulty doing that on Prince Edward Island, let alone on Canada lands north of 60.

What about the claims of the native people in the lands north of 60? Surely before Bill C-48 proceeds any further, this is a sensitivity that we can no longer ignore. Here are peoples whose lives, let alone cultures, are in serious jeopardy. Here are people who live in one of the most fragile environments in the world, into which we are now rushing pell mell to explore for oil and gas, who have no say in the proceedings, no say about what happens to their own land and whose land claims issues are totally ignored. Good grief, how could any group of people in a House of Commons responsible for that major and crucial part of Canada be so insensitive?

I must say that I am very proud that the hon. member for Skeena (Mr. Fulton) and the hon. member for Nunatsiaq (Mr. Ittinuar) have brought forward amendments which recognize the importance of our northern environment and the need to protect the delicate ecology of this area, amendments that also

reflect a sensitivity toward those who have chosen to dwell in the northern parts of Canada.

As my colleague from Skeena has just indicated to me, where are the Tory amedments in these areas? We have heard so many speeches from them expressing their concern about the people in northern Canada and their concern for the environment. The rhetoric sounds great. Their concerns sound as though they are legitimate. But action is what counts, Mr. Speaker. Where are those amendments that demonstrate the Tories' legitimate and real concerns for the northern ecology and northern peoples? They are absent from this discussion, and I think it important that that be pointed out.

I am concerned that in this piece of legislation we ignored some ministers whose voices should be heard. What about the voice of the Minister of the Environment? He will be literally absent from this process and discussion on bill C-48.

Mr. Rose: He is speechless.

Mr. Riis: What about the voice of the Minister of Fisheries and Oceans?

Mr. Rose: He has sunk.

Mr. Riis: Again, without representation crucial offshore areas will no longer be playing a realistic role in these discussions.

What about the voice of the Minister of Indian Affairs and Northern Development?

An hon. Member: He is on the reservation.

Mr. Riis: What role will these ministers play as Bill C-48 unfolds? I think we have to admit that these people will be playing virtually no role, that the sole voice and force of Bill C-48, as it unfolds, will be the minister responsible for energy in Canada. If that is not a vested interest, I do not know what is. Here is a man who has been given all kinds of opportunities to make decisions, quite apart from Bill C-48, concerning the northern peoples and northern environment and, at the same time, he has been given the responsibility for exploring for oil and gas in that region. That is real Liberal hocus-pocus in action.

One could go on and on regarding the shortcomings of just this small part of Bill C-48. It is a travesty. It is certainly a reflection of Canada's southern residents as being insensitive to and unappreciative of what the northern parts of Canada have to offer.

However, I shall cease commenting further on this collection of amendments in order that we can get on with Bill C-48. We do not want to be accused of holding up the bill because the next set of motions deals with what it means to Canadian business and Canadian entrepreneurs. What does this bill do to ensure that what efforts go on in northern Canada benefit Canadian business and Canadian manufacturers? Implicit perhaps in my question is that it will do very little.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my comments will be limited to the next three or four minutes. I listened to the hon. member for Kamloops (Mr. Riis) with a great deal of interest. I must say that one particular portion of his speech intrigued me when he said that his party looked very carefully at this bill, that they were very warmed up to it. But I suggest to the hon. member and his party that they have made a very grave error. We have had five major energy bills since 1972, when I came to this House. This is the sixth one. The New Democratic Party supported the other five bills. They made amendments and used their bargaining power to do so. I think the New Democratic Party has made a gross error in not voting for this bill at second reading. However, I think that error can still be rectified. As far as I am concerned, to have the NDP opposed to all of this Canadianization does not make sense to me.

Mr. Fulton: Just read the bill.

Mr. McRae: My constituency is in northern Ontario. Ontario is a large province, but my area, which is relatively small, has been negotiating with our pulp and paper companies. After a period of 50 or 60 years, we have now reached the point where we are running out of trees in our area. This is because the province of Ontario has been manipulating. The smaller the jurisdiction, the easier it is to manipulate.

I would have been much happier if those resources had been in the hands of the federal government, particularly at this stage when the federal government is really concerned about global corporations, multinational oil companies and the effect they are having on our country.

Regarding the offshore resources of the north, or Newfoundland, if control of these resources is in the hands of a province, the territories or the Dene people, they can be easily manipulated. I have talked to the Dene people and I have talked to people in Newfoundland about these things, and they have said they are not easily manipulated. But the history of the native people in this country has shown that they have been constantly manipulated. It is easier to manipulate a small jurisdiction.

I support the government in this area. The most fair and sensible thing to do to maintain these resources intact is to have a sharing arrangement like the one offered to the province of Newfoundland and the one apparently offered to the province of Nova Scotia concerning their offshore resources. Therefore, these resources will not be manipulated as easily as they could be in smaller jurisdictions.

The history concerning the manipulation of resources is the same all over—in Australia, in the United States and so on. Wherever resources were in the hands of a small area, they were manipulated. I suggest that we go for a sharing arrangement.

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Ethier): When the House rose at one o'clock, I believe the hon. member for Thunder Bay-Atikokan (Mr. McRae) had completed his remarks. The Chair will now recognize the hon. member for Edmonton East.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, as always I am very pleased to rise in my place and speak in this House during what will surely be an historic session. We are dealing today with the report stage of Bill C-48. I want to say, first of all, that I attended literally all of the committee hearings on this bill and have made a number of recommendations, as did other members of the Progressive Conservative Party, recommendations which are all on record. We spent some eight months on this bill in committee and heard from representatives from industry, from the banking society, from environmental groups, from the native people, from territorial governments and other organizations.

Effectively the government has told us that all the amendments which are to be made to this bill have been made in committee. At the report stage when speaking in this House we are speaking more for the record, indeed, waxing long and loud on a topic that is dear to most of our hearts; that is, environmental management in Canada.

I am not going to speak so much about the detail of the amendments before us as I am going to speak on the over-all umbrella of environmental management and environmental awareness in Canada. The federal government is today moving in a somewhat different direction on environmental management in Canada, and I think it is a direction that has to be examined carefully by Canadians and the Canadian government.

The decade of the 1970s saw a great awareness of environmental issues. In particular, the first half of the 1970s was an era or a time in Canadian history when environmental concerns, awareness and action was pervasive across the land, literally starting with the formation of the first department of the environment in the province of Alberta, formed by the Social Credit government in Alberta in the spring of 1971. Since that time literally every government in Canada at the provincial and national levels has formed a department of the environment.

In addition, the Canadian Council on Resources, whose first chairman was the hon. Mr. Levesque, changed its name. Environmental aspects were incorporated into that council, which became the Canadian Council on Resources and Environment Ministers. The environment took on a very prominent role in the considerations and discussions of ministers across this nation. A new realization of the relationship between development and preservation and development and Environmental management of those resources evolved in the 1970s.

At the beginning of the 1980s we are now embarking on a new direction. We are now saying we must develop at all costs. Particularly in one area of resource management, the energy industry, we are now saying that the need to sustain energy at present society consumption levels must take preference over environmental management, environment concerns and environmental direction. That is why I say this whole area of movement into a new era of environmental awareness and action must be examined carefully.

I remember so well the 1972 Stockholm conference on the human environment as I was a Canadian delegate. Well I remember a resolution by the United States delegation which said unequivocally that a nation must be responsible for its pollutants as they migrate across international boundaries. I remember how we all supported that resolution of the United States of America. I am not overly excited with some of the congressional statements of today, that perhaps the migration of pollutants across international boundaries is not so important any more and must take a back seat to other considerations. This is rationalization in the 1980s regarding the maintenance of a way of life that was developed in an inefficient way.

It is this attitude that I see also creeping in in Canada, not only at the federal level but, indeed, at the provincial level. Now that we have gone through that decade of environmental awareness, we must find a different direction, and to a large degree we are moving forth step in step with the United States, not only in monetary and economic policies but in environmental policies.

Recently this government signed an energy agreement with Alberta. Three precedents were established within that agreement as far as I am concerned. It was a reasonable national agreement and a reasonable agreement for the province of Alberta. What were those three precedents? The first is an indication of a new era of federal-provincial relations which says that to conclude an agreement the federal government will negotiate in a serious manner with one province and then impose that agreement, one by one, on each of the other provinces in Canada.

• (1410)

I believe the federal government has questioned the value of first ministers' conferences. During the tenure of the Prime Minister (Mr. Trudeau) in this House, his government has had more first ministers' conferences than any other government in history. I believe the government has decided that first minister's conferences accomplish very little and a new system must be found, and that is to reach an agreement with a province without meeting all of the first ministers and then imposing that agreement on the other provincial governments. This is exactly what is happening with the energy agreement.

I believe the government feels that by placing ten Premiers around the table in front of television cameras, Canadians see these ten Premiers and the Prime Minister sitting together as equals and the stature of the Prime Minister is thus depreciated in the context of confederation. I believe we are seeing a new era in federal-provincial relations, evidenced by the agreement between Alberta and the federal government.

The second and equally important precedent is that provinces can now cut flowing resources and interrupt them with impunity. I repeat, provinces can now cut flowing resources with impunity to accomplish their own objective. It does not matter whether they are resources owned by the provinces or developed and owned by the private sector. Alberta did it with oil. What province will be next? Will Newfoundland cut its electrical production by 10 per cent, 20 per cent or 30 per cent to restructure their agreement with the province of Quebec? The precedent is there. Alberta indicated that if there was an emergency in Canada with regard to the supply of oil they would restore production, therefore negating the use of the emergency powers. I found it very hard for the federal government to act against Alberta cutting this resource when Section 57 in the constitutional resolution said unequivocally that the provinces were the sole governments that could legislate in the area of conservation, production and distribution of their resources.

The third precedent I see is that there is not one clause in the agreement with Alberta about environmental concerns, no allocation of a single dollar, either federally or provincially, for environmental management as a result of the development and exploitation of energy resources in Canada. This five year agreement envisions a massive tertiary recovery process which has tremendous environmental consequences. It envisions heavy oil plants which could result in enormous environmental consequences. It envisions additional oil sands plants and exploration and development of new sour gas finds in Canada.

I received a phone call recently from people in Pincher Creek who suffered from sour gas and hydrogen sulphide pollution for years, unknown elements, indicating to me that there is a new direction in relationship to the control of sour gas in southern Alberta. Hydrogen sulphide, sulphur dioxide and acid rain emanating from this type of development is increasing in southern Alberta.

I want to come back to Bill C-48. There is a new environmental direction prevalent throughout this bill. If I were to paraphrase a metaphor effectively depicting the role of the Minister of the Environment (Mr. Roberts) in this bill, I would perhaps say that he is going to be as effective as a toad among an army of ground hogs all intent on drilling holes in the ground. The Minister of the Environment will not be very effective in relation to Bill C-48.

Mr. Baker (Nepean-Carleton): That is right.

Mr. Yurko: There are two environmental aspects to this bill. First, the environmental regulatory function is entirely under the thumb of the Minister of Energy, Mines and Resources (Mr. Lalonde) through the resource management branch of Energy, Mines and Resources. Second, there is the study, investigative, and research function. To perform this function you need money. Within this bill there is a structure for two funds. One fund is under the direction and administration of the Minister of Energy, Mines and Resources. The second fund is under the administration of the Minister of Indian Affairs and Northern Development (Mr. Munro). Somehow the Minister of the Environment has to direct the flow of this money under the direction of the other two ministers. The Department of the Environment provides input into massive development of oil and gas on Canada lands through an interdepartmental forum known as the resource management environmental committee. This committee is the main interdepartmental forum through which formal communication can take place on environmental issues relating to offshore oil and gas activities. It provides a co-ordinated approach to environmental assessment and research programs for offshore operations under the administration of the Minister of Energy, Mines and Resources.

Let me enlighten the House as to who is represented on this committee. The first representative is the resource management branch of the Department of Energy, Mines and Resources. The second representative is the office of environmental affairs in the Department of Energy, Mines and Resources. The third is the fisheries management branch within the Department of Fisheries and Oceans. The fourth representative is the ocean science and survey section under the Department of Fisheries and Oceans. The fifth is the atmospheric environmental service under the Department of the Environment. The sixth is the environmental conservation service under the Department of the Environment, and the seventh is the environmental protection service under the Department of the Environment. Three representatives on this committee are from the Department of the Environment, two from Energy, Mines and Resources and two from Fisheries and Oceans.

• (1420)

The Department of Indian Affairs and Northern Development is not even represented on this committee. I find that strange. More important, it is not the Department of the Environment and its minister, not even the Department of Fisheries and Oceans and its minister, which have over-all control and funding of investigations as a result of this committee, but rather the Department of Energy, Mines and Resources and its minister. This is not even in the control and regulatory function, who is totally within EM&R. It is in the study function, investigative function and research function.

One would think if foremost in the minds of these civil servants were environmental matters or fisheries that that committee would be under the auspices of the Department of the Environment or the Department of Fisheries and Oceans, not the Department of Energy, Mines and Resources. Obviously that is subordinate to the new philosophy of development at any cost.

I know the internal jockeying, persuasiveness and arm-twisting that goes on in such committees. As the former minister of the environment in Alberta, I have done a lot of public hearings and conducted studies. I know how often the minister must act as the adjudicator, take the initiative and push the committee in a certain direction which is relevant to the requirements of the day. It will be the Minister of Energy, Mines and Resources who will be controlling the direction of

this study committee. The least we can do is transfer the responsibility of this committee to where it belongs.

Where is the Minister of the Environment in all of this? What is his role in Bill C-48? One can almost say he is the water boy for the energy football team which is being quarterbacked by the Minister of Energy, Mines and Resources and coached by the Prime Minister. A great football team, a great football game! The projected energy reserves on land in Canada are six billion barrels of oil and 85 trillion cubic feet of gas, which is equivalent to 20 billion barrels of oil. On the west coast offshore, we have mainly gas reserves of supposedly seven trillion cubic feet which is equivalent to two billion barrels of oil.

In total offshore resources we have approximately 15 to 20 billion barrels of oil and 250 trillion cubic feet of natural gas, equivalent to some 60 billion barrels. Apart from the heavy oil in the oil sands, one just has to look at these figures to see the tremendous amount of development activity that will occur in Canada in offshore the next 25 to 50 years.

This is a big ball game. The equivalent of 60 billion barrels of energy puts us in the big league. Because the game is so vast, the Minister of the Environment and the national government had better play a more significant role in the whole area of development than that identified in Bill C-48.

The Acting Speaker (Mr. Blaker): I might indicate that, after some discussion with the Chair, one member from the New Democratic Party would like to get away this afternoon. Since I see no member to my right, perhaps members might convenience the hon. member for Saskatoon East (Mr. Ogle). If it is agreeable, I will recognize him now and then proceed to the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): That is quite satisfactory to me, Mr. Speaker. There may be others who also have to get away. I give my concurrence.

The Acting Speaker (Mr. Blaker): We will proceed accordingly.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I feel happy and privileged to speak to Bill C-48 in the area that concerns the environmental sections, Motions Nos. 4, 34, 51, 52, 53, 55, 56 and 57, under discussion at this time.

Bill C-48 will without a doubt have a great influence on the future not only of our country but of the whole planet. It will make a very significant mark upon the environment of a great part of this planet. When one faces a problem of this magnitude with effects that could go down not just through our generation but through many generations that will follow, I and many others believe with me that we are facing a serious moral issue of a magnitude that we have very little experience in handling. Basically we are dealing with a moral issue that does not just affect me and those around me at this moment; it will affect the lives of literally millions of people who are yet unborn, yet unthought of, in various ways.

First, when we begin to deal with something that is finite, that has a limit—and the kinds of energies we are looking at now are something that will be used up or taken away—that is one big question. The other moral question is: In finding or taking away this source of finite quality, what is the morality in the sense of breaking down the environmental structure of the planet? That is the question we face.

When we were young, morality was something that could be handled quite easily. If as a little kid I broke the neighbour's window, my family would send me over to say I was sorry and we would have to make some kind of restitution. Morality was simple, we could handle it. However, what happens when you break a structure that will have an influence for 20, 30, 40 or how many centuries are left on the planet? That is basically what this kind of bill is doing.

In the recent past, and I am talking of the past 100 years, our forefathers—my father, my grandfather and so on—felt there was no great problem in using up all the resources they could see. Many times I spoke to my father, now dead, asking why his generation felt it was perfectly morally legitimate to take over pieces of land from Winnipeg to the Rocky Mountains and use the resources in one generation without leaving any kind of reserve for the future, using them up many times in such a way that they literally destroyed the environment within two decades.

• (1430)

If people can remember the thirties in Saskatchewan, and some in this House certainly can, then they would remember the way the prairie was dug up, broken down, blown away and destroyed, never to be returned to the kind of land it was. We are again dealing with a situation of that kind. What is the morality of now doing that to the planet? I in no way claim I have the right answer to a question of that kind, but I do know, in looking at other situations and seeing other places, that the model of development in the field of energy at this time is one that has already broken down great sections of the planet.

A couple of days ago I was in Chicago and south of Chicago, down toward Notre Dame, Indiana. When you drive from Chicago to Notre Dame you go through the steel area of Gary and so on. Right there, as a cold, hard fact, we have a kind of an abomination, a desolation where the industrial model that was developed in the last 100 years has literally destroyed and broken down part of the planet. The air is gone; the water is gone; the land is gone. The people there live in a rusting, broken desert. That space on the planet 100 years ago was a fruitful, green garden. We are asking those kinds of questions.

What I would like to do in my speech today, Mr. Speaker, is to introduce into *Hansard* what I would call a scriptural phrase—a group of "voices crying in the wilderness". In this discussion I should like to introduce the thoughts of some people whom I consider in the present day, in the moral situation created by this bill, to be voices crying in the wilderness. I refer to church groups.

When Bill C-48 was announced and its effects were beginning to be known, on March 18 of this year two Anglican and three Roman Catholic bishops issued a statement in relation to the morality of this bill. They were the Right Rev. Jack Sperry, Anglican Bishop of the Arctic; the Right Rev. R. Ferris, Anglican Bishop of the Yukon; the Most Rev. Hubert O'Connor, Roman Catholic Bishop of the Yukon; the Most Rev. Paul Piché, Roman Catholic Bishop of Mackenzie-Fort Smith; and the Most Rev. Omer Robidoux, Roman Catholic Bishop of Churchill-Hudson's Bay. Their statement is as follows:

As leaders of the northern churches, we appreciate the work of the northern political leaders during their two-day conference at Yellowknife, March 18 and 19, 1981, and we support their firm opposition to Bill C-48.

Bill C-48 denies the aboriginal rights of the native people, as well as the present mandate of the northern institution of government. It is a negation of the present and future rights of all the residents of the Northwest Territories and Yukon Territory.

We therefore join the Yukon and Northwest Territories government, Committee for Original People's Entitlement, Dene nation, Inuit Tapirisat of Canada, Council of Yukon Indians, and Northwest Territories Métis Association in urging the Government of Canada to completely withdraw Bill C-48.

Furthermore, we call on the Government of Canada to effectively involve northern native and political leaders in the drafting of any new oil and gas legislation so as to ensure that the people of the north will truly benefit from the future development of resources.

This statement was issued by the five northern bishops on March 18 and 19, 1981.

On March 25, 1981, the Most Rev. Rémi J. De Roo, Chairman of the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops, wrote a personal letter and a telex to the Prime Minister (Mr. Trudeau) in which the same concerns were brought forth in regard to this present bill. He wrote as follows:

In effect, this proposed legislation would further entrench the people of the north in a situation of colonialism in Canada. It not only threatens to violate the aboriginal rights of the native peoples but it also threatens to deny all the peoples of the north some of the basic democratic rights and freedoms which we have come to know and expect in other regions of Canada.

The telex also indicated the great fear of danger to the environment in this bill's proposals.

On June 9, 1981, as all hon. members are aware, the Canadian Conference of Bishops wrote a personal letter to each member of the House of Commons. They outlined their basic fears and lack of true preparation and consultation in relation to the same bill. Every Member of Parliament received that letter.

On June 12, 1981, the Most Rev. Joseph MacNeil, Archbishop of Edmonton, who is the president of the Canadian Conference of Catholic Bishops, prepared a statement on why the bishops' conference opposed Bill C-48 on two grounds: first, the environmental impact; second, on the question of the involvement of the native and local peoples, or their non-involvement, I should say, in the preparation of the bill.

On June 17, 1981, the Minister for Energy, Mines and Resources (Mr. Lalonde) and the Minister of Indian Affairs and Northern Development (Mr. Munro) replied to the letter of Bishop Rémi De Roo that was sent to all members of the House of Commons. They indicated that the bishops did not know what they were talking about. I think it would be possible for the bishops to say the ministers might not know what they were talking about.

Some hon. Members: Hear, hear!

Mr. Ogle: The letter reads as follows:

From the specific comments you make on the bill, we believe that you have been seriously misinformed as to its content and implications.

It is an opinion, I agree. Then they went on to say:

As Canadian citizens we are saddened that, before you took a stand, no effort was made to reach us in order to give us an opportunity to at least expose our point of view and go with you through the proposed legislation. We respectfully submit that, had you done so, you might have reached very different conclusions as to the intent and the nature of the legislation. In fact, you might very well have become convinced, as we are, that Bill C-48 represents a major improvement over the previous situation for all Canadians, including the aboriginal peoples whose interests the government as well as yourself have very much at heart.

Following that reply, a meeting was arranged between the Minister of Energy, Mines and Resources and a representative of the Canadian Bishops Conference, Bishop Sherlock of London. The bishops again set forth the reason why the churches had this grave concern about the moral issues that were involved in the bill and which were not being properly handled.

● (1440)

Bishop Sherlock, in a report following that meeting, said that the meeting was amicable but that he did not think anyone was convinced. I suspect that was exactly the situation.

Following that, on October 14, the day upon which the House resumed, Bishop Remi J. De Roo sent a final letter asking the Government of Canada to rethink the comments in its former letter in respect of Bill C-48. He pointed out the reasons why Canadian bishops feel that we are dealing with a serious moral question.

That is the state of the question and how Canadian churches have attempted to influence what is going on. However, I feel that they are literally voices crying in the wilderness. The difficulty at this time is for us to grasp the seriousness of the total problem which Bill C-48 envisages. It is simply just that; it is difficult.

How do people, myself and yourselves, make a serious moral judgment about a matter which is so huge? I would say that we should make it carefully. We should look at the serious lack of judgment in relation to the environment, to native rights and so forth, in the development of the west, from where I come. In that instance they were not considered. What was the final effect? What happened there? What happened to the rights of native peoples? What happened to the land, the soil, the water and so forth? We have a bit of history to call upon.

No one can predict exactly what will happen in the future. All I can say is that my recent experiences in Canada, North America and other countries indicate that the planet is breaking down at a rate which I am sure no one 20 years ago would have ever expected. The pollution of the oceans, the pollution

of the air, the destruction of land and the disappearance of trees could not have been foreseen just a few years ago. When I was in high school I do not think I ever heard the word pollution. Now it is a word that little children know about. This is something which has happened in our life time. It has been a sort of movement without knowledge into the environment. Pollution and the changing of natural connections or, as someone said a little earlier, national networks of the environment are far bigger problems to face than even atomic bombs. We know the effect of atomic bombs, but we do not know the effect of these encroachments into the environment.

I am happy for this opportunity to present a few words and thoughts. I hope they will have some influence upon the final decision in regard to this bill.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the amendments we are considering this afternoon are concerned with environmental hazard. They are attempting to define a spill, to report a spill, the liability of the person responsible for a spill, the setting up of a compensation fund for recompensing injured parties, the responsibility for long-range damaging effects of spills and inquiries into spills. These are all centred around the notion of environmental hazard. We are discussing a physical contaminant and the threat it poses to the plant and animal ecology of a vast region and to the society of that region.

The hon. member for Saskatoon East (Mr. Ogle) related some of the effects of the proposals before us on society. All these matters relate to amendments in this area. Most of them are amendments to amendments to another bill.

In this connection and as an aside, I should like to complain about the absence in the bill as presented to us of the sections of the original act which we are intending to amend in that absence. Hon. members are required to reach for the relevant volumes of the Revised Statutes of Canada in order to see how the original text read. Having done so, they are required to determine whether in fact it is being changed in a desirable way and to speculate on why the changes are being made and whether they are acceptable. I hope the draftsmen who prepare bills in the future will bear this in mind and be of assistance to us in readopting a long-established practice, which is perhaps even a convention of the House, that the old and new legislation should be printed on opposing pages for easy cross-reference by those of us in the House who are dealing with these measures.

I should now like to return to the proposed amendments, the spills and the responsibility therefor. They are all related to the environment. The spills under consideration and the associated liability would be taking place in the so-called Canada lands, or in offshore waters which are carefully defined. Although I admit spills can occur on land and cause damage, my concerns here are only with marine disasters.

Clause 76 refers to exploration and drilling for, and the production, conservation, processing and transportation of, oil and gas in the Canada lands. My concern is basically with the maritime disasters which can occur. I will confine my remarks to this maritime aspect of the Canada lands.

My concern in this connection is paramount because the area in which these disasters could occur is not only great but vast. I cannot help wondering whether the ministers concerned have any real appreciation of how great and vast the newly-defined maritime area is. Of course, this is defined in Clause 2 of the bill which was being discussed on Wednesday. Also it is defined, in so far as the Oil and Gas Production and Conservation Act is concerned, in Clause 76 in almost the same terms. To the extent that those terms may differ from those in Clause 2, I think we may have cause to wonder as to the reason for those differences; but I will just leave that aside for the moment.

• (1450)

What really concerns me Mr. Speaker, is whether the minister, members of this House and the Canadian public have any clear notion of the extent of jurisdiction being assumed for environmental protection purposes in offshore waters by this bill in the glib phrase "Canada lands" or, perhaps more properly, "Canada lands and Canada seas". Over what sort of area does the bill extend Canada's jurisdiction for environmental concerns? That is my first question.

My second question is whether Canada is in any position to assume that extended responsibility. I speak about extended jurisdiction over water only, or over water, ice and archipelago. I think we can all envisage the land mass north of 60, but perhaps the seaward extension, according to this definition, is much greater than any of us realize.

We are talking of the 200-mile limit and then to the edge of the continental shelf, whichever is greater. First of all—and I think this needs to be underlined—the 200-mile limit would extend Canada's jurisdiction for environmental protection over an extra 1,300,000 square miles, on the east coast, the west coast and in the Arctic. In that I include the archipelago in the Arctic. I repeat, Mr. Speaker, 1,300,000 square miles. This is slightly greater than the land surface of Quebec, Ontario, Manitoba and Saskatchewan combined. Are we ready for that responsibility, at sea and from the air, in terms of clean-up? When the jurisdiction of the Canadian government was extended to the 200-mile limit by order in council for fisheries purposes, I asked whether we were prepared to assume that responsibility.

If we go out to the continental margin, we add another 285,000 square miles to that 1,300,000 square miles, most of which goes beyond the 200-mile limit found off the east coast—Newfoundland, Nova Scotia and the mouth of the St. Lawrence. Therefore, we are required to add another Alberta to the Quebec, Ontario, Manitoba and Saskatchewan surface area that we have to bear in mind is the new jurisdiction over which Canada will assume its responsibility in environmental terms.

What does that mean in relation to the present known land and lake surface of Canada as we can more or less grasp it in our minds? It is almost 40 per cent more than the land mass

that we can see from the edge of the Arctic coastline down to the sixtieth parallel and on down to the forty-ninth parallel. That is a tremendous area of jurisdiction.

I wonder if hon. members are aware that what is involved in this extension of jurisdiction is, in reality, an extension for economic purposes to the limits permitted under the Law of the Sea Convention to create, in effect, Canada's exclusive economic zone, or the EEZ, foreseen in that convention.

By sheer coincidence, the definitions in Clauses 2 and 76 of the bill use the wording that appears in Article 76 of the Law of the Sea Convention. What seems to be happening now happened once before. Canada is proceeding unilaterally to assume jurisdiction over an exclusive economic zone of 200 miles, as well as over an additional area to the edge of the continental margin, if that is farther offshore.

We seem to be proceeding unilaterally, as we did in the case of fisheries in assuming jurisdiction over the 200-mile fishing zone. That action, which was effected by order in council, was preceded by a number of bilateral treaties securing recognition—buying recognition, if you will—from countries which had historic rights in that area. This time the claim is being made by legislative action and there is no evidence that the government has concluded any bilateral agreements with neighbours or others, or that counter-claims against our pretensions will not arise in future.

I am not taking serious issue with the government on these grounds for behaving in this way, but I think we should be aware of what is going on. I suspect that one reason for this action is the fear that the Law of the Sea Convention may be in jeopardy because of the attitude of the United States and its explicit objections to the Law of the Sea Convention which were revealed in Geneva during the summer.

Is this, then, I ask myself, a pre-emptive strike on staking claims out to sea? I think it might be. Be that as it may, I have to ask myself whether Canada is in a position, with its maritime surveillance forces—surface and air—and its clean-up forces, to tend this extra real estate which is 40 per cent more than we now "own" and which we seem only indifferently able to regulate for environmental purposes as it is. Are we biting off more than we can chew, let alone digest? That is one of the questions which inevitably strikes me when I consider the extent of the claims in this bill.

My suspicions about this legislation were aroused following the intervention of the Minister of National Revenue (Mr. Rompkey) on Wednesday last when he claimed that the matter was not one of ownership but of how proceeds resulting from the exploitation of the resources found in that land and sea area are to be shared. There is no evidence in this bill of sharing.

I would believe him if he would agree to an amendment which would permit the introduction, particularly in the offshore areas—not the land and lake areas—of some notion of the Queen in right of the provinces as well as the Queen in right of Canada, if only as an and/or proposition, so that the Queen in right of the provinces would know that there could be an element of sharing in the resources that are available. As matters now stand, it is only the Queen in right of Canada who will have a role in the proceeds of Canada lands and federal jurisdiction in the exploitation of offshore resources.

Canada lands and federal jurisdiction are readily understandable in terms of terra firma. Surely we can all understand that. We are talking now of north of 60. When it comes to the offshore areas, that meaning is fraught with federal-provincial conflict unless some acknowledgement is made in the matter of the claims which the Queen in right of the provinces might have.

● (1500)

A simple acknowledgement of this would do much to dampen current fears of a sea grab, if I may use an expression parallel to the land grab notion with which we are all familiar. Therefore, I have misgivings about the text before us on two grounds: one, I fear that Canada is in no real position to assume the full measure of the environmental commitments it is proposing to assume in this bill; two, I fear that by ignoring the Queen in right of the provinces, the claims, in fact, are a federal claim to ownership for all time without impediment or fetter, thereby storing up for Canada further grounds for federal-provincial conflict, which we just do not need these days.

There is another aspect which worries me. Others before me, and the hon. member for Edmonton East (Mr. Yurko), in particular, spoke about the questionable or light role—or probably the absence of it—that the Minister of the Environment (Mr. Roberts) would have to play as minister under the terms of Bill C-48. The Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Indian Affairs and Northern Development (Mr. Munro) are the only ministers mentioned who would have any powers. Yet the legislation acknowledges the environmental impact of oil and gas development. Why is the Department of the Environment excluded?

One other department has been excluded, and I draw this to the attention of the minister sitting in the House. The Department of Transport is excluded from playing any role under this bill. Yet his department, under its jurisdiction, has in existence a maritime pollution claims fund, which is a vehicle which could easily be adapted to this particular bill for claims for damage in environmental terms under this bill. Why has his department been completely set aside? Therefore, I add a third concern. I mentioned the one about the federal-provincial conflict. I have also mentioned the absence of the Minister of the Environment and the Minister of Transport (Mr. Pepin).

Mr. Pepin: From the bill, not from the House.

Mr. Munro (Esquimalt-Saanich): I do feel that this bill has shortcomings. It ought to go back to the drawing board and be brought forward with a more mature package of proposals for the consideration of this House.

Some hon. Members: Hear, hear!

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I was hoping that this had been announced previously. The Minister of Indian Affairs and Northern Development (Mr. Munro), whom I saw sneaking out behind the curtains a few minutes ago, was going to speak on this issue this afternoon.

An hon. Member: Monday.

Mr. Nickerson: On Monday, I look forward to hearing him then. We have heard lots and lots, ad nauseam, from the Minister of Energy, Mines and Resources (Mr. Lalonde) on this issue; but we have heard very little from the Minister of Indian Affairs and Northern Development who presumably is to be charged with the administration of Bill C-48, once it becomes law, over an area of about 1.3 million square miles of land and water. I hope that when he speaks in this House, he will defend the viewpoints put forward by the people of the north. I have not heard him do that to date, but maybe he will turn over a new leaf. He is fully aware of the viewpoints of the people of the north. They have been made abundantly clear to him on many occasions. I hope that he will speak, as he maintains he does, on behalf of his constituency in the north. However, I doubt that that will happen. Everything that this disappointing minister has said to date has indicated that he is nothing more than a tool of the Ottawa bureaucracy. They are the people he will defend when he speaks in this House, not the people of the north.

The issue of Bill C-48 is one which has received wide attention throughout the north. I spent the last three months back in my constituency, and I also had occasion to visit the Nunatsiaq and the Yukon constituencies. I can assure Your Honour that practically no one in Canada's northland will go along with what Bill C-48 has to say. Regardless of all the differences of opinion among various people in the north, some wanting to do one thing and some wanting to do another, when it comes to Bill C-48, they are all united in opposition to the Liberal government.

I have been advised today that the petition signed by a substantial percentage of the electors of the Northwest Territories is on its way down to Ottawa; it was mailed this morning. Hopefully, in about three weeks' time, I will be able to put that petition before this House.

An hon. Member: Optimist.

Mr. Nickerson: Four weeks? Five weeks? Numerous telegrams, wires, telexes and letters have been sent to the Minister of Indian Affairs and Northern Development, the Minister of Energy, Mines and Resources, and the Prime Minister (Mr. Trudeau). So far, they appear to have had very little effect. I have in my hand one which was sent on the 15th, just yesterday, to the three gentlemen whom I have mentioned before. This is a telex, which is in complete opposition to Bill C-48, signed by the government of the Yukon, the Council of Yukon Indians, the Inuit Tapirisat of Canada, the Cope Organization, the Dene Nation and the Métis Association of the Northwest Territories, I do not think that I could subscribe to everything in this particular telex, but there is a challenge at the bottom. This is something to which I would certainly be prepared to subscribe. I would hope that the Minister of Energy, Mines and Resources will take up this challenge. This telex states:

> We know Mr. Lalonde has defended the National Energy Program and Bill C-48 to the public in Ontario and Alberta. We challenge him to come to the north, to present his defence of this legislation to the northern people who will be most affected by its passage before the bill is law.

I hope that the Minister of Energy, Mines and Resources will have the decency to take up that challenge.

As I have said before in this House, in my opinion Bill C-48 is the greatest land grab, the greatest grab of resources by a Liberal government in the whole history of Canada. We have debated Bill C-48, a copy of which I have here, since Christmas of last year, if I remember rightly. Some changes have been made, mainly of a technical nature. I guess the bill has been improved somewhat. However, if one looked through it now, one would find that it is very much of a cut and paste job. I hope that the government will take this bill back and maybe redraft it. Even if it will not make any changes in the underlying philosophy, it should at least tidy up the drafting and come back with a bill which has not been chopped up and switched around with small additions here and there, but one which makes sense right from the start. In my opinion, it will be pretty difficult for the courts to interpret some of what we have heard.

It is said that maybe some minor improvements have been made in the technicalities of the bill; but the concepts contained in Bill C-48 remain identical to those of the bill when it was first presented. The concept remains that Ottawa should have complete control over all the so-called Canada lands whether, in fact, they really belong to the provinces or to the territories. The industry should be highly regulated. There should be a good deal of ministerial discretion. You do not know what the rules and regulations are in advance, but you have to come to Ottawa and you make your own deal with the minister. What is ministerial discretion? The minister can tell you how you can look for oil, how you can drill for it, to whom you can sell it and how you can transport it, along with everything else, but we do not know the rules in advance. It is a highly regulated and controlled industry. It is one in which there will be practically no room for the little guys, especially the northerners, the people without much capital. They would like to get into the oil and gas business. They would like to get into the land plays, but because of the regulated nature of the industry, the way it is seen from Ottawa, the little guys, the northerners, will be kicked right out of the northern oil patch.

● (1510)

But worst of all for the north and for the northerners, Liberal policy comes through quite clear in this bill, namely, that the resources of the north will in perpetuity, for ever and ever, belong to the federal government in Ottawa. This is something to which we cannot subscribe. In no way would the gentlemen over there want another Alberta on their hands or another Saskatchewan. They cannot see the possibility of provincial status in the north ever being attained.

On this side of the House where we recognize and have to recognize the legality of the fact that at the present time the lands of the territories are held by Her Majesty in right of Canada, we acknowledge that the nature of that ownership is one of trust. The land and resources of the north are held in trust by the Government of Canada for the people of the north. At some point in time they will be rightfully turned over to the people of those areas.

It was said before that the views of northerners have been made quite clear to the government. But has the government listened, Mr. Speaker? Has the government listened to what has been going on for the past six months or the last year? Maybe the government has had a twinge of conscience.

Mr. Nielsen: No way.

Mr. Nickerson: The government has not actually done anything about it.

Perhaps I might digress for a moment or two, Mr. Speaker. You gave that privilege to the Minister of Energy, Mines and Resources. With respect to Motion No. 2 there is a preamble which hon. members on the other side want to put in front of the bill. I do not like preambles to legislation. I think the law books should contain law and not motherhood statements in front of a particular statute. Anyway, if that is what hon. members on the other side want to do, let us examine what they want to say. Before the law they want a whereas clause. Part of the whereas clause will read "Recognizing that in particular the inhabitants of areas directly affected by energy activities would play a growing role in that development."

That is all the government has done. All the arguments, all the letters and all the great speeches that have been made in this House—that is as far as the government can go. I would submit they are no more than empty platitudes. What we need is something real. I have been playing with words and I have come up with something that we might put in place of the above whereas clause. It is something with some teeth in it and something that means something. Instead of the government's preamble, we suggest the following or something like it:

And whereas it is acknowledged that Her Majesty in right of Canada presently holds the lands and resources of the Northwest Territories and Yukon in trust for the inhabitants thereof and hereby agrees to enter into agreements with the governments of the respective territories to share the public revenues derived from the production of hydrocarbons therefrom.

In our clause you have the acknowledgement that the lands and the resources of the north should be held not in perpetuity by the Ottawa government, but held in trust and should be managed as well as any good trustee would manage those resources for the people who live there. They should be managed as well as are the land and resources in the southern provinces of Canada.

In addition, what that would do would be to open up the question of revenue sharing. Many submissions were made on this subject to the committee when it looked into this matter. I think in general members on all sides of this House—not the government members, the frontbenchers, or government departments, but the backbenchers on that side and the members on this side—believe that agreements should be entered into whereby the very large amounts of public revenue to be generated as a result of Bill C-48 should be shared with northerners and used to help the people who live in those areas through the provision of public services. As a matter of right, people should have access to some of that revenue.

Within the bill we have before us, we see that only lip service has been paid to the wishes and the requirements of northerners. What is being said is, "We are not going to give you any real control over these matters, but we will come to you and ask you for your advice. We will set up a little advisory board here and a little advisory committee there and you can have your say, you can collect $25 or $100 a day honorarium and we will listen to you." But we know what happens. There are thousands of these committees already all over the north. Some bureaucrat from Terasse de la Chaudiere arrives, listens to the people, writes notes and minutes and takes them back to Ottawa. Nobody sees what happens to them. I suppose a report is written and it is submitted to the lowest level of bureaucracy in Hull. Then this report has to go step by step by step up to the assistant deputy minister and, the deputy minister, but at any one of these stages, that report can be filed or put into the wastepaper basket. It never sees the light of day. That is the nature of consultation which this government has always practised with the people of the north. Very often this government does not even do that because decisions have already been made in advance. They send someone up north to try and justify the decisions that have already been taken.

We have seen this with the Department of Fisheries and Oceans, the Department of Indian Affairs and Northern Development, the Department of the Environment and everything else. We do not need people to come up north and say "Yes, we will listen to your views, take them back to Ottawa, put them in the mill and see what comes out the other end." What is needed is delegation of authority to the people who live there.

Let us take the environment as a case in point. Presumably we are supposed to be talking about an environmental amendment. People do not want to be consulted about the seals, the seagulls, the rabbits and everything else in the north and then have someone return to Ottawa and make up rules and recommendations, hopefully taking their advice into account. What they want is the authority to make their own rules. We are not talking about the offshore areas because presumably the federal government has some constitutional right to be in that area. But the federal government does not have to have it in the land areas of the Yukon and the Northwest Territories. If the area were a province, that responsibility would lie with the province. In fact under the Northwest Territories Act and under the Yukon Act, that responsibility has in a way been given, but then it has been taken back by the federal government. Right now in the Northwest Territories there is an act of the local legislature, called the Environmental Protection Ordinance. But it is not in force because, as I said before, the government there has no money and no source of revenue. The government

there cannot afford to hire inspectors or to carry out the necessary studies. Because these areas are funded through the Government of Canada and do not have access to their own discretionary income through taxation of natural resources, there is nothing they can do about it. The federal government comes in with its bulldozer, the Department of Indian Affairs and Northern Development, and takes that away from the people, asks for their advice and then does nothing with it. The federal government does precisely what it wanted to do in the first place.

● (1520)

We must recognize that with the very few people who live in the north with so large a requirement for public expenditure, personal taxation through income tax and sales tax will never really raise the required amount of money. The only way we are going to raise the money needed for the provision of those public services is through taxation on resources, particularly oil and gas.

What we want is for the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Indian Affairs and Northern Development to let go and to allow the people of the Territories to control what goes on there through their own institutions. We want them to let loose some of the purse strings, allowing the people there access to sufficient moneys to carry out properly those functions they should be carrying out.

I understand that my time has expired, Mr. Speaker. I have a great deal more to say on this subject and, hopefully, during the next week or so we will have an opportunity to debate Bill C-48 again. The things I have referred to are by far the most important issues about which northerners are concerned, particularly when we talk about the exploitation of hydrocarbons in the north.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I too want to speak on this bill because it demonstrates and illustrates some vitally important principles about which many people in this country are increasingly becoming concerned. The bill in the first place exemplifies probably the biggest land grab in the history of the world. It is a grab from those who need it the most and who will need it in the future, with no thought to the future development of this great nation.

It has been said that where there is no vision, people perish. This bill demonstrates that this government is showing no vision and is, probably blinding its eyes to the future. This government is grabbing a tremendous amount of land in the north, thereby barring the people there from ever having a source of income with which to establish a province, or from having the ability to operate economically as a unit.

I think what is sad about Bill C-48 is that it demonstrates that this government of the whole country is denying one part of the country the chance of ever reaching its great potential. This government is anxious to get its hands on money, so anxious that nothing else matters.

Another thing that bothers me about this bill is that it does not reflect the thinking of the people of this nation. Representations have come forth by the score suggesting changes to certain parts of this bill, but this government is not prepared to listen.

The amendments we are discussing this afternoon introduced by members of the NDP in my view represent the thinking of a very large proportion of the people of this country. However, there is not even a minister of the Crown who is concerned with this bill present in the House and listening to these arguments. When democracy began, the whole idea was that one person would represent the wishes of a number of other people and bring the thoughts of those people to the assembly. This is a useless exercise in this place; ministers are not even in the House to hear the arguments.

I was in the Alberta legislature for many years and I do not remember a bill concerning a department ever being discussed when the minister was not in his seat listening, taking notes and giving cognizance to the arguments put forward by members, on whichever side of the House they sat. That is democracy.

An hon. Member: They are doing other things.

Mr. Taylor: An hon. member says they are doing other things. The most important thing a minister has to do is to sit in this House. That is what they are elected to do. They should sit here and listen to the arguments of the people and bring forward legislation which reflects the thinking of the people. This government is getting so far away from democracy, it is no wonder the people are calling the Prime Minister (Mr. Trudeau) a dictator and the government dictatorial. It is the government's own fault because of the way these ministers are acting and carrying on. When the truth hurts, they start to yowl—howl, I mean. The people are gradually getting fed up with the anti-democratic procedures of this government. This bill illustrates to no end exactly what I am talking about.

Some hon. Members: Oh, oh!

Mr. Taylor: If you want to speak, I do not mind sitting down, but do not yell and howl and say nothing. I would like to hear hon. members defend the things the government is doing. All the new parliamentary secretary is saying is "yes, yes, oui, oui, Mr. Prime Minister", in order to get a promotion. That is the type of thing that is going on on that side of the House. Hon. members there are more concerned about promotions than they are about representing the wishes of the people, and we can see that every day. If the cap fits, put it on.

Instead of this bill representing the thinking of the people, it represents the thinking of a handful of bureaucrats. They are the ones who have the minister's ears. The ministers think that if they listen to the bureaucrats and then bring forward legislation, we should all say "yes, yes", even if it is contrary to the thinking of the people who sent us here. I am not prepared to do that. I see democracy going down the drain in this House led by this government, and I am not going to allow the government to drive me out of my own country. I am prepared

to stay and fight for democracy and the wishes of the people who sent me here, whether the Liberals like it or not. That does not bother me one bit. The government is obsessed with power. It has to have power. Members of this government want to be dictators. They want to order things, but they do not think about reflecting the thinking of the people. We have seen examples of this all around us.

The majority of the people do not want unilateral patriation of the Constitution with a charter, but that does not matter. The government not only disregards what the people want, it spends taxpayers' money to tell the people why they should do what the government wants. That is anti-democratic, not democracy at all. They do not object for one minute to spending money telling the people why they should be doing this and that. Did hon. members ever hear about democracy? They are supposed to take direction from the people, not tell the people what they want. That is totalitarianism.

I want to show how that is being carried out by this bill, and I want to look at some of the actual clauses. I suggest to those who think that what we are saying is not right that they should talk to some of the people in the north who are experiencing these things. The environment is very important. The important elements of the environment are clean air, clean water and, probably, reclamation of the land. I do not see any of that exemplified in this bill. This involves a jumble of confused responsibilities, and the minister responsible for the environment is left entirely out in the cold. He is not even going to have a say. The responsibilities are given to other ministers. I wonder why the Prime Minister appointed a minister for the environment. Clean air, clean water and the reclamation of the land is the basis upon which the environment has to be controlled.

I was happy when the hon. member for Edmonton East (Mr. Yurko) a few years ago as a minister in the Alberta government introduced a clear water and clear air bill. This government would do well to follow his example.

Let us deal with one or two of the specific motions in this particular bill. I refer first to Motion 4. It astounds me, after having spent more than 40 years in the legislature and a couple of years in the House of Commons, to see a bill which does not define one of the most important elements involved, and that is spill. They know it is spill.

• (1530)

An hon. Member: Yes.

Mr. Taylor: But they do not say what it is. It could mean a dozen things.

An hon. Member: It could mean cariboo blood.

Mr. Taylor: They went part way in section 80. They defined it to mean certain things in only one or two clauses. They said a spill means a discharge, emission or escape of oil or gas other than one that is authorized by the minister.

Mr. Nielsen: Tell that to a dead cariboo.

Mr. Taylor: It certainly means an escape of oil or gas, but nowhere can it be found what a spill actually means, whether it is somebody spitting on the ground, a spoonful of oil falling from a pipe, or a small gas leak in a pipeline.

What is it? They have the answers, sure. Their all-knowledgeable minister of energy knows everything. Sure, he knows when it is a spill and when it is not a spill. In other words, bureaucrats will tell him and he will jump because this government is controlled by bureaucrats, not by the people who elected it. They refuse to define spill in this section.

A spill means more than just oil. When you talk about 100 litres of oil or 10 litres of oil, that is one thing, but the government should say what it considers a spill. It also means the escape of poisonous air. Clean air is important also. It can kill animals and make humans sick.

The definition put in the amendment by the hon. members at least defines it. The members on the other side will not support this because the minister says, "No. I know what a spill is. Don't you dare put in anything." I will wager not one member on that side will vote for this amendment. If they do, I will be glad to buy them a dinner.

Spill means an amount of 100 litres or more of oil and any other substance deemed foreign to the environment. That is what a definition is. It is not the best definition but it is a good one. The minister of energy must have had it given to him by members of this House but he will not accept it. Even if he knew what a spill is and is performing his function perfectly, which he has yet to prove, he is not going to be there very long. The shorter the better, as far as I am concerned.

An hon. Member: Hear, hear!

Mr. Taylor: Some day the members on that side, when they are sitting over here, will wish they had put in a definition. When we are the government, we will define what a spill is. This government is so secretive, they do not want anybody to know what a spill is.

I will move on to amendment No. 51, at page 62 of the bill. It would not hurt hon. members to turn to page 62 and see what they are voting for, instead of voting the way they are told.

The bill says that in Section 19(1) to 19(4),

—"spill" means a discharge, emission or escape of oil or gas other than one that is authorized pursuant to subsection (4)—

Now, that is strange. They define it and then say it is only applicable to these four sections. Let us read subsection (4):

The Governor in Council—

The cabinet.

—may make regulations authorizing the discharge—

Did you hear that? The government can discharge poisonous air. It goes on to read:

—may make regulations authorizing the discharge, emission or escape of oil or gas of such types, in such quantities, at such locations, under such conditions and by such persons as are specified in the regulations, but Her Majesty in right of Canada has no liability whatever to any person arising out of such authorization.

Did you ever hear of such legislation? It is astounding. They can decide to poison a part of this country and there is no liability.

An hon. Member: They have been poisoning Ottawa for years.

Mr. Taylor: It is a wonder we are able to live with the amount of bad air issued around this House.

This is more serious. This could destroy the animals of the north. It could destroy the people of the north if we have a man fanatical enough to use this section. This is totalitarian legislation.

Some hon. Members: Oh, oh!

Mr. Taylor: Laugh if you like. Read the section; do not accept what the minister told you. Read it yourself. You can all read.

An hon. Member: Are you sure?

An hon. Member: I doubt it.

Mr. Taylor: Read it. It says:

The Governor in Council may make regulations authorizing the discharge, emission or escape of oil or gas of such types, in such quantities, at such locations, under such conditions and by such persons as are specified in the regulations, but Her Majesty—

The cabinet, the ministers responsible who are not even here today.

—in right of Canada has no liability whatever to any person arising out of such authorization.

I would like to go back to the first section. It reads:

"spill" means a discharge, emission or escape of oil or gas other than one that is authorized—

It is a spill. If an oil company does it, it is a spill. We protect people from gas leakage from railway cars. The hon. member from Mississauga was very anxious that we should have control over gas in tank cars. What about controlling it in the north? Northerners are human beings too. They have just as much right to live in clean air and on good land as we. They are Canadians the same as we are. An hon. member the other day said the bill should be withdrawn. It should be withdrawn. If members opposite were doing the job their constituents want them to do, they would not be supporting this.

● (1540)

An hon. Member: We are.

Mr. Taylor: The hon. member says they are. It is strange that when 60 per cent of the people of Quebec do not want a charter, they should vote for it. They should talk to the people. They spend the people's money to tell them what they should do. They have the gall to say they reflect the thinking of the people. They do not.

This bill is a danger to the country and to the people and should not be passed. The amendment that is proposed will, if passed, do some good, but not very much. I see, Mr. Speaker, that you are indicating I have only one minute left. I am sorry because I could go on for hours. I will make one other point.

The other day the Leader of the New Democratic Party (Mr. Broadbent) talked about the minister giving documents to certain Liberals but not to everyone. This bill will authorize that type of conduct. Under 19.5 and 19.6, the minister may supply copies of the report in such manner and in such terms as he considers proper. If he considers only the Liberal members, he can, at public expense, give information to one party and not another. Is that democracy? Those opposite have their priorities and terms all mixed up. That is a totalitarian government, not a democracy. It is time members opposite started to think for themselves rather than doing only what the minister tells them. The minister should stop doing what the bureaucrats tell him and start reflecting the thinking of the people of this country. Then we could have the greatest country in the world.

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I preface my remarks by saying that the only person whose orders I strictly obey is my wife, so I do not plead guilty to the charge the hon. member directed to members on this side of the House.

In any debate one attempts to use as much factual information as possible in order to arrive at what is, hopefully, the wisest evaluation of the legislation being proposed in the House and before the nation. That is not always the case. Most of us realize that as well as having facts to argue on a particular case, we have to deal with the mythology that for some reason or other, tends to permeate any debate at any level. This debate on Bill C-48 is no exception. In fact, from what I have heard in the House in the last few days and in committee in the last few months there is probably more mythology involved in this debate than in almost any other debate, other than perhaps the debate on the Constitution.

In the short time allotted to me today, I would like to look at some of the myths that have developed and are promoted by their proponents as being the hard truths of the argument. I would like to start with one of the myths that was forcefully and colourfully projected into this debate today by the preceding speaker. That myth is that the central or national government is perpetrating through Bill C-48 one of the greatest or most momentous land grabs in the history of the Canadian people.

The offshore and the north are vested and always have been vested in Her Majesty in right of Canada. I do not think there is anyone in this House who can dispute the accuracy and legitimacy of that statement. It is vested in Her Majesty in right of Canada because all the federal states of this world have vested the rights of the offshore, and, presumably, if they have an Arctic, in the national government in one way or another.

I would defy any member opposite to point out a federation in this world that has done otherwise. Assuming that the federation has an offshore and a north, despite the fact that the waters and domains have historically been vested in the central government, it has not prevented its regional or provin-

cial governments from making a jurisdictional grab of their own.

If you look at Australia or the United States, you find that in both of those federations the provincial or state governments have contested in the courts the legitimacy of the federal government's control of the offshore. Those states and provinces have lost their cases, just as the province of British Columbia lost its case when it brought a similar one to the courts of Canada.

There is absolutely no doubt in my mind that the offshore and the north belong to Her Majesty in the right of Canada. I would be delighted if this government would take that issue to the courts to be decided once and for all. This sort of mythology is dangerous. It leads to divisions in society and the state which members opposite and those who believe in that argument would deplore. I would like this government and this Prime Minister (Mr. Trudeau) to take that issue before the courts.

Mr. Fulton: Say that when you are travelling in the north.

Mr. Kelly: One does not have to travel to the north or to the offshore to understand that argument. Its veracity does not change with geographical location. If the argument is true in Ottawa, it is as true in the offshore and in the north. That is something we should be aware of.

I would ask the Prime Minister today to take those disputes to the courts in order to have proved beyond a shadow of a doubt that those lands belong to Her Majesty in right of Canada. Because they do belong to her, they are legitimately controlled by the Government of Canada. They are controlled by the federal government in the best interests of the people of those areas, but not exclusively in their interests. The benefits that derive from them should be used primarily for the benefit of the Canadian people.

One member opposite said in his speech that this bill is designed for the people who live in the south. By saying that, I assume he thought he was bringing some illumination to this argument, the horror that Bill C-48 should be used on behalf of the Canadian people. It must be used for the benefit of the Canadian people. It would be wrongly used otherwise. I challenge him to repeat that argument.

The hon. "Smith Brother" from Skeena was the one to proclaim that most loudly in the House. I invite him to debate that issue and promote that point of view in the south, anywhere and everywhere, to see the sort of reaction he would get from the Canadian people.

This oil and gas belongs to all Canadians. We cannot say that about the provincial deposits of oil and gas. We learned that in the tragic confrontation with Alberta. We know that the oil and gas of Alberta are vested in Her Majesty in right of that province and are now controlled by the government of that province primarily on behalf of its residents.

This is the one opportunity that the Canadian government has to ensure oil and gas security of the Canadian people with resources on Canada lands. I cannot understand why Canadian politicians want to take the only resource that we can constitutionally and realistically describe as Canadian and give it to the respective provincial or regional jurisdictions. I cannot comprehend the motives of that kind of argument. These are Canadian resources. They must be controlled by the Canadian government on behalf of the Canadian people.

An hon. Member: You are from Toronto.

Mr. Kelly: You are correct, I am from Toronto. You are absolutely right without being relevant. What does it matter if I am from Toronto? I could as easily be from Victoria, Halifax, Quebec or Montreal. They are all Canadian cities populated by Canadian residents. It is our obligation to make sure that those people, no matter where they live, have access to Canadian resources.

There is something drastically wrong with the body politic in Canada when a Canadian politician, speaking in this House on behalf of access by Canadians to Canadian resources, is considered either to have a malicious intent or to misunderstand the nature of confederation or the needs of its people. I cannot comprehend that line of thinking. For that reason, Mr. Speaker, and on behalf of Canadians from coast to coast whose future they are putting into jeopardy, I absolutely reject it. I sincerely hope the sensitive thinking, nationalist members of this chamber would reject it as firmly and decisively as I have.

• (1550)

Some hon. Members: Hear, hear!

Mr. Kelly: The second great myth, perpetrated by a number of members opposite, is that this dastardly, scheming, evil Liberal government—

Some hon. Members: Hear, hear!

Mr. Kelly: We are horrible. We are guilty of every sin in the book and others that have not been invented yet. This horrible, arrogant, malignant government is taking Bill C-48 and rushing it through this House with breakneck speed and shoving it down everyone's throat, whether they like it or not. That is the second great myth of this debate on Bill C-48.

If recent developments have indicated anything, Mr. Speaker, it is that oil and energy have become the most vital commodity of any state in the world today. There is no question about that. I would defy anyone on the other side to say that is wrong. Oil and gas have become strategic characteristics of our economy. They will remain so in the next 10 or 20 years. There is no doubt about that.

If everyone were to accept that, would they then accept the corollary that if energy is the single most important aspect of our economy today, then this government or any party that forms the government should have as its top priority the energy security of the state? It must provide that energy security as quickly and efficiently as possible. Does that sound realistic to you? Do you quarrel with that? I do not think he

does, despite the florid colour of his face and his eagerness to interrupt.

If you were to accept the reality of the two arguments, Mr. Speaker, I think you would have to say it is incumbent upon this government to produce legislation that will provide that energy security as quickly as possible. This bill is designed to do that. There is lots of oil and gas on provincial lands, Mr. Speaker. But we have been taught a lesson: this government does not have direct access to their oil and gas resources.

If we think in terms of the survival of our economy on a national basis, then we cannot depend, as a national government and as a people, on access to provincial resources. This is why we must have access as quickly as possible to the resources that are, indisputably, on Canadian land. Those lands are on the offshore and in the Arctic. How can anyone say, after eight months of deliberation that we are shoving this bill down the opposition's throat? Those people are so far removed from reality of the argument I have just developed, that I think their opposition borders on the criminal. If this government is guilty of any crime, it is not that it is proceeding too fast, it is that it has been proceeding too slow.

An hon. Member: Right on.

Mr. Kelly: If I have any criticism of this administration and of this minister, it is that he has tolerated obstruction, he has consented to abuse. I believe at times we are too democratic, so much so that we believe these anti-democratic arguments and that we neglect the real vital interests of the Canadian people in so doing.

Mr. Fulton: We know what you are like in committee. We have seen you.

An hon. Member: Order.

Mr. Kelly: If I had been the minister, the bill would have gone through committee a lot sooner because I think the interests of the Canadian people are that important.

• (1600)

I am pleased to talk about the environment. The third great myth of this debate is that Bill C-48 has the potential to obliterate the northern environment and the native peoples. This vehicle, especially as far as the latter is concerned, is their salvation, not their destruction. If I had more time this afternoon, I would develop that argument.

Some hon. Members: Hear, hear!

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

Municipal Affairs

PRIVATE MEMBERS' MOTIONS

[*English*]

Motion No. 43 allowed to stand by unanimous consent.

MUNICIPAL AFFAIRS

AVAILABILITY OF INCREASING GRANTS IN LIEU OF PROPERTY TAXES

Mr. Gordon Towers (Red Deer) moved:

That, in the opinion of this House, the government should consider the advisability of increasing the grants made to municipalities in lieu of property taxes for the use of property by Crown corporations and agencies so that these grants equal the sums paid by private organizations.

He said: Mr. Speaker, I appreciate the opportunity of presenting what I believe to be a case that should be brought to the attention of the federal government. Sometimes I think that in our democratic system we in the federal field forget that there are two other forms of government which are very important to the wellbeing of Canadian citizens. Sometimes we overlook the responsibility that the federal government has to both the provincial and municipal government, but primarily the municipal government. This is why I have proposed this resolution. I am pleased the hon. member for Nepean-Carleton (Mr. Baker) seconded this motion. I know he is vitally interested in this aspect of responsibility in so far as who pays for what is concerned. I do not propose to take too long in making my discourse this afternoon because I know he wants an opportunity to make a few comments in regard to this resolution.

The resolution reads:

That, in the opinion of this House, the government should consider the advisability of increasing the grants made to municipalities in lieu of property taxes for the use of property by Crown corporations and agencies so that these grants equal the sums paid by private organizations.

The phrase "grants in lieu of taxes" is just a fancy way of saying that the federal government does not pay taxes on real property but, instead, makes arbitrary and unrealistic cash grants to municipal governments. Under Section 125 of the British North America Act, the federal government cannot be taxed by any other level of government. However, since 1877 the federal government has made token payments to towns and cities where it owns land and buildings. These token payments are totally unrelated to the actual tax assessment.

We can take the CBC in Red Deer as an example. The CBC owns and operates broadcasting facilities. In 1980, it paid the county of Red Deer the grand sum of $809.38 as a grant in lieu of taxes. Had the CBC been required to pay the actual property taxes based on assessment, its total bill would have been $4,460. In a nutshell, the county of Red Deer lost over $3,600 on the transaction, yet the municipal government is forced to make available all local services at a loss, I might add. Tenants like that, the county of Red Deer does not actually need.

As a result of the federal government position on paying local taxes, the property tax base of some communities is substantially eroded since the property tax is often the major

source of revenue for local authorities. This is the point I wanted to make. These people have a right to be heard.

Large cities such as Ottawa, Montreal, Toronto, Calgary and Edmonton are caught in a tighter vise. Large federal government property holdings represent a considerable loss of potential holdings and represent a considerable loss of potential revenue. In some areas the federal government further impairs revenue generating capabilities of local authorities by precluding or limiting zoning and development. There is no question in my mind that the federal government places unfair burdens on local governments. Because it does not pay its fair share of taxes, the federal government escapes the responsibility of paying its true share of the costs of police and fire protection, sewage disposal and water. I do not mean to say that the taxpayers of Canada will be loaded with any extra taxes. It just means that there will be a more equitable relationship between the levels of government paying the taxes. Because of the federal government, the municipality may also have to undertake expenditures to provide or upgrade roads, schools, and other such facilities to serve the needs of central government employees and their families.

There is no question that the presence of the federal government provides benefits such as jobs, payrolls and new residential property tax bases. But do these benefits offset the fact that the federal government is not a good corporate citizen? In a city such as Ottawa, the shortfall between grants in lieu of taxes and actual assessment runs into the millions. The same is true for many other of our larger cities where the federal government has large holdings. The adequacy of federal contributions has been challenged by local authorities in every region of Canada, especially in Ottawa. Mr. Speaker knows that delegations have appeared before standing committees of the House trying to present their case to the federal government.

The dissatisfaction is based upon three arguments against existing legislation. First, certain properties are excluded from grant calculations such as parks, museums, monuments, etc. This means lost revenue of almost $8 million to the city of Ottawa.

The non-payment of business taxes on federal commercially-assessed properties is the second argument against the existing legislation. The federal government's reply is that it is not a business, it does not compete, it does not engage in profit-seeking activities and it does not generate a business income. I must question this. The CBC in Red Deer certainly competes with other commercially-licensed private broadcasters. Not only do the private broadcasters have to make a contribution to the subsidy going to the CBC, they also make a contribution in taxes because they are totally taxed on their assessed property. Such is not the case with the CBC.

The third argument concerns the deductions from the main grant of amounts representing municipal-type services provided directly by the federal government. In effect, the federal government opts out of municipal services. Other taxpayers do not have this choice. Would there not be chaos if large companies with their own security forces had the right to opt out of their share of the municipal police force costs?

The present formula is patently unfair and out of touch with reality. There is no question that the federal government has the ability and the resources to pay its fair share and thus become a better corporate citizen and be more responsible to Canadian taxpayers. And pay it should, so that there is equity for all taxpayers, business and residential, in any given municipality. If the federal government expects services to be provided, in fairness it should compensate the municipality. The payments should be prorated to put the federal government on approximately the same footing as other local taxpayers. If this situation is not corrected, the federal government could, if it chose, provide a grant in lieu of taxes to any municipality for PetroCan service stations or any other of its oil properties. This is what happens with the CBC, a Crown corporation. Therefore it could also happen with PetroCan. I am not saying that it will, but it is possible under the present regulations.

• (1610)

If the government is supplying a service to the people that is not provided by any other body, I am not so worried; that is not creating a problem for me. I am concerned, however, when a government facility is in competition with private industry and does not carry its fair share of the tax burden. This is unfair to the taxpayers of Canada, Mr. Speaker. Now is the best time to correct this anomaly before it gets out of hand.

Thank you for allowing me to present this case at this time. Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg-St. James): This is a good motion, Mr. Speaker, and one that deserves the full attention of the House. I should like to start by referring to a couple of statements made by the Minister of Public Works (Mr. Cosgrove), who is responsible for legislation affecting grants in lieu of taxes to municipalities, with regard to the principle involved in this resolution that the federal government should be required to pay the same taxes that private citizens would be required to pay.

He has said that the federal government is not competing in the marketplace with private enterprise and that it does not want to be considered a business. Is that because it does not do business and does not compete with other private enterprises? I would suggest that is not the real reason. It may be the rationale it uses for not wanting to pay the grant in lieu of taxes but, as the minister said on May 28, 1980, according to a newspaper article, for the federal government to pay business taxes across Canada would cost the government $75 million annually. That is why it does not want to be considered a business, Mr. Speaker, so that it will not have to pay taxes to a local municipality. But who pays, Mr. Speaker? Obviously, the residents of the municipalities have to pay while the federal government gets a free ride.

Unfortunately the minister is not in the House today. He should be, because this private members' motion involves a

very important principle which falls square in the middle of his responsibilities. He had promised that a task force would examine this whole area, but an article in the Ottawa *Citizen* of July 9, 1980 reads in part:

—Cosgrove told the committee the task force would not deal with this question and there was no chance the government would accede to the request anyway, because of fiscal restraint.

The government is really saying, then, that this is not a matter of the merits of the proposal for the federal government to pay grants in lieu of business taxes as a private corporation would, but it is really a matter of fiscal restraint. The government just feels that it cannot afford to pay. Who better can afford to pay, Mr. Speaker, the federal government with its broad revenue base or a local municipality or property owners?

This is not surprising, however, because when the minister introduced Bill C-4, he saw that the principle of the bill was flawed and he promised that a task force would deal with it. But he never delivered on that promise, Mr. Speaker. He promised that a study would be done on this whole matter of grants in lieu of taxes within a year, and that it would come before a parliamentary committee. That has never happened, and it is not surprising because this minister has promised other things which have not come about.

He made noises about municipalities being recognized in the Constitution. Why would he do that? He did it because municipalities are concerned with having adequate revenues, and one way that they hoped to get adequate revenues was through some positive recognition in the Constitution. We all know how far that idea is from reality, but the minister and the government made that promise. This minister promises but does not know how to deliver.

It is important that this subject should get an adequate hearing because it involves fundamental principles of democracy. The federal government should not be able to act in an arbitrary, unregulated fashion in a local community. It should be subject to the same laws, regulations and legislative authority as any other resident. If there is one thing that the Liberal government has demonstrated, however, it is its utter petulence, arrogance and lack of appreciation of the democratic process.

People are fed up with being run over by this government. People are fed up with the government's misuse of arbitrary authority.

This private member's motion raises a very important subject which deserves serious consideration. It has obviously raised some concerns on this side of the House, although I have yet to see any evidence of real concern on the other side. The matter is important to the individual taxpayer because it means that as long as the federal government gets a free ride in the communities across the country, the local taxpayer has to pay more in property taxes. We all know how difficult it is to be able to afford a House today, particularly with this government in office and the way it is running the economy in general.

This is a worthy motion and I wish the government would wake up and respond to it.

[*Translation*]

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, in a Notice of Motion tabled on April 30, 1980, the hon. member for Red Deer (Mr. Towers) in Alberta suggested that the House consider the possibility of increasing the grants in lieu of taxes paid by Crown corporations to the Canadian taxation authorities so that these grants equal the taxes paid for buildings owned or used by private organizations. First, Mr. Speaker, I would like to remind the House that the Canadian government now has one of the best and most comprehensive grant programs in the world, and it has worked very well for over 30 years and that our assistance and advice have been requested many times by other countries who wished to improve their own grant programs. There now exists a consultation procedure between Canadian representatives and our American counterparts. The United States wishes to improve their program by learning more about the operation of our grant program.

Not content to sit back and relax, the government has made a deliberate effort within the last few years to improve our own system even more by developing new legislation, methods and approaches, which will enable us to reinforce not only the relationships between the local and central governments but also the fiscal powers of municipalities. The basic plan of the government for improving the grant program consists in developing a system which will deal essentially with the buildings of federal departments and Crown corporations which provide services as though these buildings were taxable. In the case of Crown corporations whose basic role is not to provide services, the plan is similar except that these corporations will be asked in addition to pay subsidies in lieu of the commercial occupancy tax. The amendments to the grant mechanisms of Crown corporations will be regulated on the one hand by the new Municipal Grants Act, and on the other hand, by the draft regulations on grants paid by Crown corporations, the final version of which is now being prepared.

The Municipal Grants Act of 1980, which was passed by the House on July 17, 1980, and promulgated on December 5, 1980, provides in Section 8 that the governor in council may make regulations for carrying out the purposes of the act. Paragraph 8(1)(f) concerns the regulations which will provide for the mechanisms to be used by Crown corporations listed in Schedules III and IV of the act concerning their grant programs in lieu of taxes paid to the various taxation authorities under whose juridiction come the buildings of these corporations. Preparation of the draft regulations on the grants paid by Crown corporations is virtually completed after lenghty consultations and negotiations with the corporations, companies, commissions, boards and orgaizations established to fulfil certain functions for the Canadian government. I expect these regulations to be published shortly in the *The Canada*

Gazette and I trust that those concerned will have enough time to give their comments before they are promulgated.

It would now be appropriate to go back a few years and explain why it was decided at the time to improve the grant in lieu of taxes programs for Crown corporations before promulgation of the new legislation on Crown corporations and the revised Financial Administration Act. Most federal Crown corporations have paid grants in lieu of property taxes since the implementation in 1950 of the grant program for departmental buildings. Instead of paying grants, some of these corporations have in fact paid their property and commercial occupancy taxes directly. Throughout the years, however, a number of complaints have been made concerning the grant practices of certain corporations; in addition, there has been public concern about the differences among the practices of various agencies.

In an order issued in March 1967, the cabinet stated that all federal Crown corporations would have to pay grants for their buildings on a basis generally not less generous than that provided in the Municipal Grants Act for payments related to departmental buildings. There has never been any strict legal obligation for the Crown corporations to comply with this, and the government has been considering establishing a stricter measure.

Mr. Speaker, the Municipal Grants Act of 1980 and the proposed regulation on grants paid by Crown corporations have provided for the review and the streamlining of the procedures followed by Crown corporations with regard to grants and have aligned these procedures on those followed by departments. Therefore, Schedules III and IV of the 1980 act on grants to municipalities were established to include all known Crown corporations. Corporations listed in Schedule III are in general functionally dependent on the Consolidated Revenue Fund and are subject to the guidelines contained in the regulations respecting grants in lieu of property tax or frontage or land tax and the local improvement or development tax. These guidelines are closely modelled on those included in the legislation governing departmental buildings.

● (1620)

Corporations included in Schedule IV usually operate without having to use funds from the Consolidated Revenue Fund and they must not only comply with the guidelines governing grants in lieu of property, frontage or land tax, but they must also pay grants in lieu of business occupancy tax. Crown corporations are divided into two separate schedules, with respect to grants, for a very logical reason.

Certain corporations, namely those listed in Schedule III, are not independent of the federal treasury in the sense that they need financial assistance from the government to operate and they are not commercial concerns. Generally speaking, those agencies are akin to federal departments since they do not compete on the market and do not sell goods or services at prices which would provide a return on invested capital. The Canada Mortgage and Housing Corporation, the National Capital Commission, the National Research Council of Canada and the Northern Canada Power Commission are examples of federal agencies falling into that category. Conversely, the corporations listed in Schedule IV are generally independent of the federal treasury; they may on occasion be required to compete with the private sector and they have to try to make profits. Among the federal agencies included in that category we might mention Air Canada, the Bank of Canada, Eldorado Nuclear Limited and Petro-Canada. The grants paid in lieu of real property tax and business occupancy tax by the corporations listed in Schedule IV put those corporations on roughly the same footing as private sector organizations: the grants are the equivalent of the taxable amounts claimed by the taxing authorities.

Mr. Speaker, it would have been extremely difficult in the past to take stock of the agencies which might have been defined as Crown corporations and to decide which ones ought to pay grants in lieu of the business occupancy tax. For several years, however, a Privy Council Office task force has been hard at work on the problems linked with Crown corporations. The end result of that activity was Bill C-27 on Crown corporations, the purpose of which was to ensure the control, the management and the imputability of Crown corporations by defining them, listing them and classifying them in schedules. The bill was introduced in Parliament in 1979 but, for various reasons, it was not passed. I expect it will be reintroduced in the near future so as to include certain amendments to implement the recommendations made since 1979 which take into account the different status of a certain number of corporations created since then.

The government has decided that even if there were a direct link between the schedules listing the Crown corporations in the new Municipal Grants Act and those included in the new Crown Corporations Act, it would be altogether inappropriate to give to the Municipal Grants Act a basic role with respect to the policy concerning Crown corporations. The new Crown Corporations Act will define that policy and whenever it comes into effect it will contain a reference to Schedules III and IV of the Municipal Grants Act, 1980. That reference will be kept up to date as new Crown corporations are set up or as old corporations are phased out or are reclassified. It is important that any new agency be automatically subjected to the guidelines set out in the Municipal Grants Act. Once the schedules to the proposed new legislation on Crown corporations are firmly established, the Municipal Grants Act, 1980, will finally be amended accordingly, Mr. Speaker, with a view to taking into consideration any amendment made to the schedules and establishing an automatic link between the schedules to both acts.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, this is the first time that I have had the privilege of participating in a debate in this House since we have come back from the summer adjournment. I do so with some enthusiasm with respect to this particular piece of parliamentary business which is before us.

As the House knows, the wording is quite simple and the resolution is quite simple: that in the opinion of the House, the government should consider the advisability of increasing grants made to municipalities in lieu of property taxes, compensating for the use of property by Crown corporations and agencies, so that these grants should be comparable to the taxes paid by private organizations.

If I followed the parliamentary secretary correctly, he said that in the last little while there has been a vast improvement in the legislative framework within which grants in lieu of taxes are now paid. He is quite right. However, I think it would be very foolish of any of us to assume that the bill that was passed, which was piloted in this House by my seatmate, the hon. member for St. John's West (Mr. Crosbie), when he was minister of finance, is the last word. I know that the minister of finance at that time did not consider it to be the last word, nor should the Parliamentary Secretary to the Minister of Public Works (Mr. Savard), nor should his minister.

He is as aware as I am that there are a number of things which can be done to improve the position at the moment. I think he is aware of its importance. I know the hon. member for Red Deer (Mr. Towers) is aware, and I am grateful to him for the privilege of seconding this most worth-while motion. I will not go over the ground, but if the parliamentary secretary speaks to his minister from time to time, I hope he will inform him that there is a great deal to be done in the business tax area. I think we are past the point, at least in terms of the operation of the Canadian government, when it can be argued that the government is not in business. In many ways it is in business. Some would regret it. Some would welcome it, depending on one's philosophy. But there are many aspects of government operations that have about them all the indications of business in the commercial world. They compete in many ways with the commercial world. There are almost 500 Crown agencies that have been identified thus far. There may be more. They are in business in many ways, so that process must go on.

• (1630)

To the extent that those businesses in the name of the Crown are located in some of the 2,000 municipalities across the country that benefit from their presence and from this legislation, it is important that we settle and resolve once and for all the position of the local municipalities with respect to business taxes. They are meant to compensate municipalities for services which are rendered to businesses and agencies of all kinds the costs for which are borne on the backs of the local ratepayers, and to the extent there is not an equitable contribution by government at all levels to that local tax base, those taxpayers have to pay a lot more. It is that balance that we ought to be seeking. I commend that to the parliamentary secretary and I ask him to take that message to his minister.

One other matter recently came up right here with respect to the national capital. It occurred in the House of Commons today. I asked the President of the Treasury Board (Mr. Johnston) about two decentralization programs, one involving the Post Office and the other involving the ministry of the Secretary of State (Mr. Fox). I gave him an opportunity, first, to deny that it was true that those two agencies were being moved, and, second, to deny that the government was not in fact revitalizing, rejuvenating and reviving the process of decentralization which the former president of the Treasury Board in the Clark government had the good sense to cancel, to the extent that it was reasonably possible to do.

All hon. members will recall our decision to cancel or defer the move of 19 of the agencies that were to move, because of the nature of the service they provided and because of the lack of cost benefit in the move. I supported that decision. As hon. members know, in some cases the process was so far advanced that this could not be done. If this is the case, and if the government is planning on doing that, then the government could affect dramatically the tax base of all municipalities within the national capital region. On both sides of the river we have regional governments. Their taxation is based on a proportionate sharing of the cost of the provision of services. If the tax base is eroded in one municipality, perhaps Ottawa or Hull, then to the extent that funds are necessary to carry the municipal services that have been put in place, other taxpayers have to bear that cost.

I want the government to understand, because I do not intend to let this matter drop, that much more is involved than just physically relocating bodies and work; it has a profound effect on local municipalities. It also has a profound effect on families and a whole host of other things that I will debate at another time. But it does relate to the issue that is still outstanding and unresolved between the municipalities within the regional municipality of Ottawa-Carleton which I know best, and the federal government. It is something which must be dealt with and cleared up.

We are still not at idem with respect to the amount that is appropriately owed under the existing statutes. The business tax matter is not in it at all. The hon. member for Red Deer says that we owe $8 million in arrears in the city of Ottawa, and that affects all the municipalities around on this side of the river.

The mayor of Ottawa, quite properly, has called for a meeting to settle the issue, to engage representatives of all levels of government in settling the issue. Speaking for myself, I am prepared to go to such a meeting if the minister is prepared to invite us.

The other matter on the horizon bearing on municipal services is the whole question of established program financing. The Minister of Finance (Mr. MacEachen) has indicated that he intends to reduce transfers to the provinces for certain

programs and post-secondary education, as well as for social programs, parts of which have a municipal base; all of which arise from the provincial base.

I do not have figures to substantiate this, but I would like someone to show that the general principle is wrong. The general principle that I refer to is that there will be a crimping from the provinces to the local municipalities, to the extent that the provinces are denied those funds heretofore available by transfer from the federal government. The services will have to be provided. The cost will have to be borne somewhere. What will happen? They will be borne to a greater and greater degree on the business taxpayers, and the property taxpayers in the municipalities.

I ask the parliamentary secretary to implore the Minister of Finance, his own minister, the Minister of Public Works (Mr. Cosgrove) to take a look at the unanimous report of this Parliament which said that it was wrong for there to be any change in the present basis. To do so at this time would cripple the delivery of services in some areas. That was the unanimous report. That was not the opposition speaking. That was not just the New Democratic Party speaking, it was the Liberal government's own backbenchers speaking as a result of a reference given to them to study the matter, with the approval, I suppose, of the government, and those were their conclusions.

The representatives decided that the program which has been initiated will have an effect on provinces, on municipalities and on taxpayers, and thereby it will have also an effect on renters in all communities. This is a proposition which ought to be avoided and ought not to be advanced by this government. I would ask the parliamentary secretary to take that message to his minister.

It is important, I think, that we recognize that at the root of our system of delivery of services to people are the municipalities. Governments have a duty to pay their way to the fullest extent, not to hide behind constitutional niceties that one Crown cannot tax the other; not to use semantics and nomenclature; not to use the word Crown or the concept of the Crown to sneak out of or to get away from obligations which are owed by virtue of service. I hope we are moving in that direction.

The parliamentary secretary has raised the question in terms of the goodness of the program. He said that other countries are looking at us, that we have a good program, I do not doubt that at all. I am proud of it and if we are leaders in that field, then it is a feather in our caps. All of us should be pleased about that. But I must add this caveat, that we have not yet reached the end of the road.

I think we should take a look at a number of government programs, such as, for example, the Canadian Oil Substitution Program, which is of interest to municipalities. I am a supporter of that program. I think it is a good idea to get people off using oil if we can, and on to using something else. But many cities in Canada, many municipalities in the country, have programs for the renovation of various schools and public facilities. One of the principal motives behind these programs is the conservation of energy. I am sure if hon. members asked many municipal leaders, they would say quite frankly that they would like to substitute oil based equipment with gas or electrically based alternatives as far as possible.

• (1640)

I was quite stunned to see a letter from the head of a municipality in the national capital region in fact it was the Mayor of Ottawa—saying that she had made inquiries with the Renewable Energy Secretariat of Energy, Mines and Resources Canada, and with the Ontario minister of industry and found that municipalities or their agencies were not entitled to apply for a grant under that grant program of conversion. The reason being, of course, that it is a tax-incentive program designed for private individuals and corporations.

It seems to me it would be helpful to municipalities—if we are talking about grants generally, and this has been the subject of this debate—if the parliamentary secretary suggested to the minister of energy that they re-examine that program to see whether the tremendous users of energy might not have grants given to them to entice them to change, so they would in fact have some incentive to help the government in its own energy conservation program, a program in which all Canadians should be engaged. I understand that is not the case at the moment. I commend that as one proposition the parliamentary secretary might take to his minister and the Minister of Energy, Mines and Resources (Mr. Lalonde). In terms of municipalities, I think it would be helpful to the government's program of conservation if that proposition could be advanced.

I regard the resolution as important not just to the City of Ottawa, and not just to municipalities within the national capital region, but to the 2,000 of them in the country. There are post offices everywhere and public buildings of all kinds in municipalities. Even if we have the best system thus far, and I am not going to dispute that today, the parliamentary secretary knows, as his speech implied, that there are areas in which it could be improved.

I commend the hon. member for Red Deer for allowing us to debate this matter in order that we could bring to the attention of the ministry and the government the support there would be in this House of Commons on all sides for improvement to the present system. The basis of our democracy is a healthy, strong local government, and the statute with regard to grants in lieu of taxes is important. The contribution of the federal government to the welfare of people living in these municipalities could be made even more significant by some improvement to the system, perfect as it is now.

[*Translation*]

Mr. Jean-Claude Malépart (Montréal-Sainte-Marie): Mr. Speaker, in reply to the notice of motion of the hon. member for Red Deer (Mr. Towers), may I remind him that it has already been suggested that the program providing grants in lieu of property taxes for the use of property by Crown corporations and agencies should apply not only to property taxes but also to business occupancy taxes. First of all, I should like to go back to the origins of the municipal business

occupancy tax, and then show why the federal administration feels that only some designated Crown corporations should pay Canadian tax authorities grants in lieu of taxes.

Mr. Speaker, going back to the turn of the century, we find that in fact the only source of revenue available to municipalities for financing local services was property taxes. Even then, it was obvious that unless they could find new sources of revenue, local governments could not afford the expenditures needed to increase and improve their services.

As time went on, Mr. Speaker, the federal government and the provinces made studies and set up commissions entrusted with looking into the matter. Generally, the resulting reports stressed the need for municipal authorities to levy an additional tax on the capital or rental value of buildings occupied by financial or business companies, that is, a special tax levied by the municipality on properties used for business purposes I repeat, for business purposes. That tax is justifiable for the following reason: When someone can reasonably expect to make a gain or profit by carrying out a commercial activity in a municipality and by supplying the risk capital required and the know-how, but when in fact he also benefits from local services, facilities, labour, transportation services as well as the purchasing power of the municipality, it is only fair then that he should pay out an additional amount to municipal coffers just for the privilege of benefiting from a large number of the elements necessary for making a profit.

Mr. Speaker, we cannot dispute the fact that the term "commercial operation" refers to a gainful occupation, a craft, a profession, a function or any other activity performed more or less continuously with a view to making a profit. It is a concise definition drawn from precedents dealing with the assessment of taxation in Canada. It is also a definition which apparently includes some criteria or basic principles. It has been noted that some Crown corporations which are operating without relying on the Treasury, will have to pay a commercial occupancy tax when it comes into effect. In order to justify the payment of such a tax on the federal buildings or Crown corporations listed in Schedule III of the new legislation on municipal subsidies we would have either explicitly or implicitly to equate the services of the federal government with those of a commercial operation. Now such an equation is totally unfounded. These departments and corporations are service-oriented and not profit-oriented, and thus one cannot consider them as carrying out a commercial activity in the conventional sense.

In Canada, Mr. Speaker, the great majority of municipalities and provincial governments do not pay any business occupancy tax on the properties owned by them or managed by corporations, organizations or councils created by them, except for those which are specifically profit-seeking, such as hydro-electric commissions or provincial liquor stores. However, one should note that the province of Quebec has innovated by establishing a program which, since 1980, calls for the payment to municipalities of grants in lieu of business occupancy taxes and property taxes on almost every property owned by its departments and Crown corporations. Because of the close financial links between the provincial and municipal administrations, the province is able to cancel or to roll back other forms of financial aid. This possibility does not exist quite in the same degree in the case of the federal government.

The business occupancy tax does not apply in several areas of Canada. Also, there are many ways to determine its rate. It may be a fixed percentage of the annual amount of rental revenues or a fixed amount, or else a percentage of the assessment. Since this percentage is different depending on the type of business activity, in some cases a provincial statute makes the payment of the business occupancy tax mandatory. In other cases, provisions stipulate that the tax becomes payable only on the request of the city council. In the latter case, were the Canadian government to decide to pay such taxes on departmental or Crown corporation property, city councils would no doubt tend to take advantage of that option, especially in cases where such holdings make up most of the landed property in the municipality.

There are two other very significant factors for not paying business occupancy taxes on Canadian Crown buildings. First the disparity of amounts that would be distributed across Canada, and second, the cost to the federal treasury in these days of budgetary restraint. Firstly, Mr. Speaker, were grants in lieu of business occupancy taxes to be paid, widely unequal amounts would be distributed across Canada since 80 per cent of the Canadian federal property holdings come under less than 5 per cent of the taxing authorities receiving grants. This being the case, it seemed preferable to extend the scope of the grant program by increasing the categories of buildings, entitled, and therefore the amount of grants paid to a number of municipalities that until now were receiving minimal or no grants.

• (1650)

Further, if grants in lieu of business occupancy taxes were to be paid on all federal Crown property, huge amounts of money would be involved. The over-all cost would be extremely difficult to accurately assess, but it might very well total $100 million, that is $85 million for departmental buildings and $15 for Crown corporation buildings listed in Schedule III. In summary, Mr. Speaker, and I conclude on this, it is simply impossible to incur such expenditures.

• (1650)

[*English*]

Mr. Dave Nickerson (Western Arctic): I would like to second the remarks made by the hon. member for Red Deer (Mr. Towers) and the hon. member for Nepean-Carleton (Mr. Baker) who argued the points raised in this motion extremely well. This is very important to all members who have federal land holdings in their constituency.

I would like to refer specifically to one type of federal property often found in municipalities. That is, land reserved for the Indians. There are two types of land reserved for Indians. One is Indian reserves under the Indian Act. In my constituency there are a number of cases in which the reserves are actually located within municipalities. There is need for improvement of the financial arrangements between the Government of Canada, presumably acting on behalf of the people who live on the reserve, and the municipality called upon to provide services for that reserve. The greatest problem lies in those areas of land designated as land reserved for Indians but not for Indian reserves. This may sound peculiar but that is the wording of the legislation. I know a couple of municipalities which have several acres of designated land reserved for Indians but not for Indian reserves. The Government of Canada pays grants in lieu of taxes to the municipality. However, since those areas of land have not been legally subdivided, although those areas have been built upon and people live there, the government will only pay grants in lieu of taxes as if the land were completely undeveloped. The result is very small revenue accruing to the local municipal governments. For that reason, they have taken the attitude that they are not responsible for the provision of full services to those areas because there is no revenue coming into the municipality.

I think this matter should be looked into by the government. It should be rectified in some way.

Having brought this matter to the attention of the House, I am prepared to let the hon. member from the New Democratic Party speak before we vote on this important motion.

[*Translation*]

Mr. René Gingras (Abitibi): Mr. Speaker, I am pleased to speak in this debate, although I have only five minutes to speak on such a detailed matter that would require half an hour. I believe that if all government agencies and Crown corporations were to pay grants equal to the amount of taxes paid by private agencies in the various areas of Canada, it would mean these agencies and corporations not only would still have to pay the full amount of grants for their lands and buildings as they now have to, but also grants in lieu of business occupancy taxes. The previous speaker dealt with the business occupancy tax, and indicated the very valid reasons why that tax should not apply. I now intend to show why it is appropriate to exclude from their grant programs building units owned by them, in the same way those units are excluded from departmental grants applicable to property holdings.

The only class of facilities which might be included without giving rise to considerable pressure for the inclusion of other classes in the grant program would be machinery and equipment. However, the arguments raised against grants for facilities are equally valid for machinery and equipment, including the very erratic way in which the latter are taxed or not taxed in the various areas of Canada when they are owned by the business community of the private sector.

Now, machinery raises administrative problems due to the fact that certain types of equipment are part of buildings. According to the general principle applied, even if a piece of machinery may be within a building and fixed to it, it is not considered to be part of that building, except if it is used in some way in its operation like, for instance, elevators, escalators, boilers, plumbing systems, air conditioning units, sprinklers, etc., which are all considered to be part of the building and are liable for grants in the case of buildings owned by Crown corporations or government departments.

Notwithstanding the different ways in which these matters are dealt with by individual provinces, the various types of buildings are not all taxed when they belong to the private sector. In this context and in view of the difficulties which might stem from the payment of grants on some buildings in some provinces and the non-payment of grants on similar facilities in other provinces, something which might jeopardize the universal nature of the grants program, it was felt that all Crown constructions had to be excluded.

This firm position concerning facilities is based on several other reasons. First of all, if one type of property were included in the grant scheme, there would be strong pressures, for other types to be subjected to the scheme, for it does not seem logical to include some while excluding others. Also, if all facilities were to give rise to grants, Crown corporations would have to agree, for this is provided for under Section 8(1)(f) of the 1980 legislation. This decision would prove very costly to a number of Crown corporations to the point where they could no longer meet their obligations.

On the other hand, and this has nothing to do strictly speaking with facilities, few people are aware that under the grants program administered by the federal government, grants are paid in respect of some classes of buildings which would not be taxed were they to belong to other organizations. I should mention, by way of conclusion, schools, hospitals, penitentiaries, fire halls, etc.

The Acting Speaker (Mr. Blaker): It being five o'clock, this House stands adjourned until Monday next at two o'clock in the afternoon, pursuant to Standing Order 2(1).

At 5.02 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 19, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I move, under the provisions of Standing Order 43, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the government recognize the great contribution made to the growth and development of this country by earlier Polish immigrants, by introducing forthwith measures that would allow for the further immigration of Poles in such numbers so as to make an impact upon the large number of applications received from Polish people seeking entry to Canada through Vienna.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

TWENTY-FIFTH ANNIVERSARY OF RUSSIAN INVASION OF HUNGARY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, this coming Friday will mark the twenty-fifth anniversary of one of the most tragic attacks on freedom ever witnessed, the invasion of Hungary by the U.S.S.R. I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House re-express both its condemnation of the U.S.S.R. for that invasion and its deep and abiding commitment to the return of a free democracy in Hungary and in all other nation states similarly suppressed, by interrupting its proceedings on Friday, October 23, at noon for one minute of silence in memory of those who gave their lives in the fight for freedom and against totalitarianism.

Madam Speaker: Presentation of this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GRANTS FOR POST-SECONDARY EDUCATION—MOTION UNDER S.O. 43

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas the all-party fiscal task force unanimously agreed that any cuts to post-secondary education would seriously injure the institutions and block accessibility by less affluent students, especially women and rural students, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the Prime Minister today withdraw the policy of cutting $1.5 billion from post-secondary education, particularly in view of the government's new revenue source of over $50 billion over the next five years.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

ELECTION OF MR. PAPANDREOU AS PRIME MINISTER OF GREECE—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to Standing Order 43. Recognizing yesterday's decisive victory in the Greek elections for the socialist party led by Andreas Papandreou, and recognizing that Canada was Mr. Papandreou's home for five years from 1969 to 1974 while he was exiled by the Greek military junta of the time, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House extends its best wishes to Mr. Papandreou and the people of Greece, and that this House celebrates the flourishing of democracy in the home of democracy and looks forward to continued friendship and co-operation between our two nations.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

EMPLOYMENT

CALL FOR PROGRAMS TO PROVIDE JOBS FOR YOUNG PEOPLE—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, recent information, including two parliamentary task force reports, confirms that skilled labour shortages will affect Canada's trade, industrial, energy and economic future. At the same time Canadian young people fear dismal job opportunities. I therefore move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the minister responsible for employment immediately initiate measures to assess the needs and implement programs designed to meet labour needs, retraining opportunities, and to provide jobs for young Canadian men and women.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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KENT ROYAL COMMISSION

CALL FOR REJECTION OF RECOMMENDATIONS—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, in view of the trip of the Prime Minister to Cancun, Mexico, and his concern for Third World Nations, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House now takes the opportunity to endorse the formal request of Commonwealth journalists to reject those Kent Commission recommendations which would violate freedom of the press in this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

SUPPORT FOR POST-SECONDARY EDUCATION—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the recommendation of the parliamentary task force on federal-provincial fiscal arrangements against any reduction in general federal support for post-secondary education, and in view of the concern expressed by many students in Ottawa today that post-secondary education not be relegated to a purely economic concern, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House instructs the government to forget whatever notions of cutbacks in this sector it may have, and that this House affirms its appreciation of the value of a liberal arts education and critical thinking in general as the best guarantee of sound and democratic social and economic policy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, since the government has broken the promise which it made to the people of Canada to keep energy prices below those that would have been in effect under a Progressive Conservative regime, and in view of the fact that the Minister of Energy, Mines and Resources (Mr. Lalonde) had the obligation of fulfilling this promise instead of breaking it, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House calls for the resignation of the Minister of Energy, Mines and Resources.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE LATE MOSHE DAYAN

TRIBUTE TO ISRAEL LEADER—MOTION UNDER S.O. 43

Mr. David Berger (Laurier): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of great importance to every member of the House. On Friday, October 16, the world suffered the loss of another peacemaker in the Middle East. Moshe Dayan, a military man who spent many years fighting for a cause, and who, in the last few years of his life worked so tirelessly to establish peace in the Middle East, will be greatly missed by all of us who wish to see an end to hostilities in that region of the world. I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House convey through Madam Speaker its deepest sympathies to Mrs. Dayan and her family, as well as to the government and people of Israel.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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● (1410)

THE ECONOMY

SUGGESTED MORATORIUM ON HOUSING MORTGAGE RENEWALS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House direct the Minister of Finance to take such steps as are necessary to ensure that there is a complete and effective moratorium on mortgage renewals until the relief that householders are being led to expect from the budget is made public on budget night, now only a fortnight off, so that both parties to mortgage renewals will have a more accurate notion of the tax climate in which the terms of those renewals will have to be made.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TELEVISION

DENIAL OF EXPOS' BASEBALL GAMES TO VIEWERS IN NORTHERN SASKATCHEWAN—MOTION UNDER S.O. 43

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent importance. Whereas the residents of northern Saskatchewan have been avid followers of the Montreal Expos television broadcasts all summer; and whereas these viewers have now been deprived of Expos' games in the National League playoffs this fall because of a change in the viewing rights from the CBC to the CTV network; I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House instruct the Minister of Communications to do everything in his power with the CBC, CTV, the CRTC and other principals to ensure that the citizens of northern Saskatchewan receive the upcoming World Series games. These northerners, like all members of this House, would have liked to join all Canada in wishing the Montreal Expos well in their game today.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADA POST

PROPOSED SPECIAL RATE FOR ELDERLY AND HANDICAPPED—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, the senior citizens and handicapped of this country rely almost totally on the mail to communicate with their friends and loved ones. A 30-cent postal rate will become an unacceptable hardship, on their fixed incomes. I therefore move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the government direct Canada Post to strike a special stamp for the senior citizens and handicapped of this country, at 50 per cent of the first class rate.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

DEMAND FOR RESTORATION OF WESTERN TOURIST ROUTES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, American travel agencies send Americans to travel by Canada's railroad routes more for scenic reasons than any other. With the cancellation of the western transcontinental rail routes along with the famous dome cars, Canada's tourist industry stands to lose millions of American tourist dollars. I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House demand that the Minister of Transport reinstate the western transcontinental routes as their uncalled for and ruthless cancellation will wreak financial ruin on the western Canadian tourist industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

FIGURES QUOTED IN CMHC REPORT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Prime Minister and in the absence of the Minister of Finance, I will direct my question to the Minister of Public Works who is responsible for housing. He will know that there have been reports based upon a

document attributed to CMHC, which indicate just how serious the housing and rental crisis is becoming in this country.

● (1415)

I wonder if the minister can confirm that he has received advice from his officials which indicates that current interest rates will create what his own department calls "unmanageable burdens" for more than 100,000 Canadians in the next two years. If, in fact, his department is anticipating unmanageable burdens which will force these people out of their homes in the next two years, will he now give us a guarantee that there will be action in the budget in November which will help these specific individuals?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, if the Right Hon. Leader of the Opposition is referring to the newspaper reports of the weekend which headlined some of the figures about which he is talking, I would like to indicate at the outset, number one, that I have not read such a report.

Some hon. Members: You wouldn't.

Mr. Cosgrove: I understand that there is such a report. It is a communication within the Canada Mortgage and Housing Corporation. At the outset I would indicate that the 100,000 figure is incorrect, and that it is as wildly erroneous as the figure given by the Leader of the New Democratic Party when he said that there were 85,000 families who would be out of their homes by Christmas. It is as wildly speculative as that figure.

I would remind the Leader of the Opposition that just last week he quoted from the Speech from the Throne, which stated that this government intended to assist people who needed help the most, and that we would move to assist these people. The Prime Minister indicated that in September, as did the Minister of Finance. I am saying that. However, I would caution the Leader of the Opposition, and advise him to read a bit further in the Speech from the Throne. As a matter of fact he should read the next sentence, following the words which he quoted, stating that this government does not believe that we would have to expend large amounts of funds in order to do that.

Some hon. Members: Hear, hear!

IMPACT OF HIGH INTEREST RATES ON HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Frankly, Madam Speaker, neither I, nor the people in Canada who face the prospect of being thrown out of their homes by this government, care what the minister has or has not read. What we care about is what the minister is going to do. He says that the figures which have been quoted here in the House, and quoted as a result of documents from his department, are false. He tells us that he has not read those documents which are false. However, would he confirm to the House of Commons that he has information as to the impact of high interest rates upon individual Canadians? Will he tell us if the figure of 100,000 is wrong?

How many will be thrown out of their homes? Will there be 99,000 or 98,000? Will he give us the figures that he has, and will he tell this House of Commons whether or not he is going to insist that in the budget which is to be brought down in November there will be direct and immediate action to protect those Canadians who are being forced out of their homes by Liberal government policy?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, since the middle of August when interest rates reached a level above 18 per cent, I have been working not only with officials of Canada Mortgage and Housing but also with representatives of the industry across the country. As late as Friday I met with the representatives of HUDAC and UDI regarding the impact of high interest rates. This morning, in Metro Toronto, I met with representatives of CASIRS on the impact of high interest rates. I have received information and advice as to the impact which I have indicated in those documents which have been prepared for cabinet consideration. They will be released when the budget is released, and when those figures are made generally known to the public.

REQUEST THAT BUDGET AID HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Since the minister responsible for housing has refused to indicate whether there will be anything in the budget to help these individuals, I guess the question that I must put to him is whether or not he has met with the Minister of Finance, and whether the Minister of Finance will have anything in his budget which will help these Canadians who will be thrown out of their homes. He may claim that there are only 98,000; his figures say that there are 100,000 to 110,000. We want to know whether that is the case.

I want to ask the minister a further question, quoting from the report which he has not yet read, concerning the rental market. The report from his department indicates that:

> Rental investment will thus dry up in most markets and vacancy rates in most markets will approach zero by 1983.

This means that people will be thrown out of their homes and there will be no accommodation for them to rent, as a result of Liberal government policy.

Will the minister now tell this House of Commons, first, will there be action in the budget brought down on November 3 to help those Canadians being forced out of their homes; second, will there be action in that budget to reverse this trend of drying up rental accommodation in the country?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, unlike the government led by the Leader of the Opposition, this government has already acted to undo some of the harm inflicted by his last administration.

Some hon. Members: Oh, oh!

Mr. Cosgrove: Number one, we moved to reintroduce MURBs, which have been responsible for 10,000 to 15,000 new starts in the last 18 months. We moved to increase the amount of social housing in this country, which the hon. member asked to have privatized and flubbed off onto the provinces, because his position while he was Prime Minister was to back away from housing.

● (1420)

ASSISTANCE SOUGHT FOR CONSTRUCTION OF RENTAL ACCOMMODATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, this minister seems to have difficulty hearing as well as difficulty acting. My question was simple. Will there be a provision in the budget to help those hundreds of thousands of Canadians who are being forced out of their homes by Liberal government policy? And will there be specific help in the budget, which will reverse a trend that is drying up the construction of rental accommodation across this country and leading us into a situation where not only will people be unable to live in their homes, but in most cities and communities in Canada they will not have anything to rent?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would remind the hon. Leader of the Opposition—

Mr. Nielsen: Right Hon. Leader of the Opposition.

Mr. Cosgrove: —of the Speech from the Throne, which he quoted in part in his first question when Parliament resumed. I would indicate to him that this government will indeed meet that commitment, namely, to assist those people who need help the most.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PARLIAMENTARY TASK FORCE RECOMMENDATIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my leader has been asking about one crisis in the country, namely, the housing crisis. I want to ask about another crisis, which is the impending crisis in health care and post-secondary education as a result of proposed cutbacks by the government.

I would have directed my question to the Prime Minister, the Minister of Finance, the Secretary of State or the Minister of State for Social Development, all of whom are involved with this issue, and all of whom knew there was a student delegation in this city today and who took this opportunity, I have no doubt, to duck being here and meeting them.

Some hon. Members: Hear, hear!

Mr. Crosbie: Shame!

Mr. Baker (Nepean-Carleton): Great duckers.

Miss MacDonald: Therefore I will direct my question to the acting Prime Minister, whomever that may be.

Some hon. Members: Oh, oh!

Miss MacDonald: At the time of the last budget the Minister of Finance proposed cutting $1.5 billion from the amount that otherwise would be paid to provincial governments for health care and post-secondary education. In the wake of this, an all-party parliamentary committee was set up to examine the whole field of federal-provincial fiscal relations. My question to the acting Prime Minister is very simple. I would like to know from him or her the following: is it the intention of the government to accept the main thrust of that all-party parliamentary task force that no such reductions to either post-secondary education or health care should take place?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I am afraid that I will be unable to answer this question today.

Mr. Baker (Nepean-Carleton): Why don't you ask the CTC?

Mr. Pepin: It is obviously a question for the Prime Minister or for the Minister of Finance to deal with. The Prime Minister is in Montreal today, and he is not attending the baseball game. The Minister of Finance was scheduled to be here, but he was slightly indisposed this morning.

Some hon. Members: Oh, oh!

Mr. Laniel: He is renewing his loan.

Mr. Pepin: I am quite sure that the very serious question raised today by the hon. lady will be promptly answered in the coming days by either the Prime Minister or the Minister of Finance.

REPORTED CUTS IN FUNDING FOR POST-SECONDARY EDUCATION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, it is slightly prescient that the minister who chose to answer this question about reductions in post-secondary education and health care is the man who knows so much about VIA Rail reductions. I hope that does not augur too badly for post-secondary education.

Some hon. Members: Oh, oh!

Miss MacDonald: In any event, I have another question to pose. The minister may be able to shed more light on this. In addition to the reductions that were indicated by the Minister of Finance, there are reports that his colleague, the Minister of State for Social Development, is now trying to impose much greater cuts upon post-secondary education, cuts that would do irreparable damage to our colleges and universities, amounting to some $7.5 billion over the next five years. Can the minister give us the assurance that at least that attempt by the Minister of State for Social Development has been beaten down, and

that move, which would have the effect of crippling our colleges and universities, will not take place? If it does take place, it will in effect make our post-secondary institutions the privilege solely of the sons and daughters of the rich.

● (1425)

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, it should be obvious to everybody that there was a reduction also in the standard of the questions being raised by the hon. member. Her first question was much better than the second one. The first one at least referred to a report of the committee of this House; it had standard, it had class. The second one refers to rumours about divisions between the Minister of Justice in one of his capacities, and the Minister of National Health and Welfare. Obviously I am not going to comment and report on gossip. The answer to these questions will come at the proper time, as I indicated in answer to the first question.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MADAME SIMONE VEIL, PRESIDENT OF THE PARLIAMENT OF EUROPE

Madam Speaker: I should like to draw attention to the distinguished presence in our gallery of the President of the European Parliament, Mrs. Simone Veil, to whom I wish to extend a cordial welcome.

Some hon. Members: Hear, hear!

* * *

[*English*]

HOUSING

QUERY RESPECTING CMHC REPORT

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the minister allegedly responsible for housing. Another report did emerge on the weekend from CMHC, this one contending that 135 families a day between now and the fall of 1983 will lose their homes. The *Toronto Star* has a copy of the report, and I have a copy of the report. I find it astounding that the minister should get to his feet today and say, as he did just a minute ago, that he has not even looked at it or has not seen it. I would like to send him over a copy. He can have a look at it, and I hope, prepare himself for tomorrow's question period.

Since this has been an issue of profound concern in every community across Canada for the past few months, and since it has been raised in this House ever since it opened last week, why has the minister not taken the trouble to read the report, and why does he not report back to the House of Commons on its accuracy?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in answer to a question by the Leader of the Opposition, I already indicated that this morning in Metropolitan Toronto I met with a group of representatives of Canadian home owners affected by high interest rates, who asked to make submissions to me; this was not a report from staff but actually people who are impacted by high interest rates. They asked to make a submission to me. I met with them. I then got on an airplane and came directly to this building.

I have not read this report, but I have indicated that, from the newspaper reports which say that by 1983 100,000 people will lose their homes, the report is wildly out of date. It is erroneous. It talks about starts in the first quarter as being 135,000 when we all know they are at 180,000, so it is over 30,000 out to begin with. If the hon. member, through his research staff, cannot do any better than that and cannot come up with something better than that, I think he should dig in a bit deeper.

QUERY RESPECTING MINISTER'S POSITION ON RENT CONTROLS

Mr. Edward Broadbent (Oshawa): Madam Speaker, when the report was done it was done on the assumption that mortgage rates would be at 21 per cent. They have only dropped to 19.75 per cent. I say that even the minister should be able to calculate that if the data that went into his report was accurate—he has not yet taken the trouble to read this report prepared by his staff and he should have read it weeks ago and not have to wait until it is raised in the House—this slight drop in the level of mortgage rates will not mean "boo" all in terms of the number of families who will lose their homes by next fall.

Since the report indicates that rent levels are going to climb astronomically next year as well, and since the minister in a CTV interview last April said he was opposed to the continuation of rent controls, and made the same point in a speech somewhere else last year, I would like him to take the opportunity to clarify the government's position. Is the minister now in favour of his old position, which is to abolish rent controls, which will be disastrous, or will he admit he was mistaken?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the difficulty in dealing with a report produced on such notice is apparent. It has to be apparent when you consider that the Leader of the New Democratic Party indicates he read and studied the report and then asks a question, what about interest rates at 22 per cent? I would ask the Clerk to return the report to him so that he may reread the paper. I have, on two seconds reading, identified that they are talking about interest rates of 22 per cent.

● (1430)

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. Does the hon. member for Oshawa seek the floor on a further supplementary?

REPORTED FORECAST OF HOUSING STARTS

Mr. Edward Broadbent (Oshawa): The report that the minister has sent back, without taking the trouble to read, also notes that housing starts in the coming year would drop to 135,000. That will be the lowest number of housing starts in 16 years. Since almost 20 per cent of those in the lumber industry in British Columbia who would like to be employed are out of work and since the level of unemployed construction workers stands at 10 per cent, would the minister agree with businessmen who have commented on the tragedy of this sector by saying the overwhelming reason for this situation is high interest rates, and that the only way we are going to see a turn-around in terms of job creation is by a drastic drop in the level of interest rates?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I did not go beyond page two of the report produced by the Leader of the NDP.

An hon. Member: Wrong again.

Mr. Cosgrove: Based on the newspaper reports, which state that starts this year, 1981, not next year, will be at a rate of 135,000, I would bring to the hon. gentleman's attention that starts to the month of September were at a rate of 191,000, which means that the report is 30,000 out in its projections to begin with. I would ask him to consider that, with the strength of the report he has in front of him.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GRANTS FOR POST-SECONDARY EDUCATION—GOVERNMENT POLICY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, in the absence of the Prime Minister who should be answering this question, I would direct it to the Minister of Communications who was the former Secretary of State. As you know, Madam Speaker, I, along with four members from across the way, served on the task force. We spent thousands of hours listening to evidence and considering the views of people across the country. We made a unanimous finding that any cuts would cut directly into the sinew of the post-secondary institutions in this country. Would the minister tell the House if it is the government's policy to continue with the cuts of $1.5 billion?

Hon. Francis Fox (Minister of Communications): As the hon. member knows, during my appearance in front of the committee, of which he was a member, I indicated quite clearly that as far as the federal government was concerned we were able to identify some ten to 12 objectives which we feel are national objectives which ought to be met by the post-secondary system, and which are not necessarily being met at the present time. If you ally that to the fact that the federal government is financing something close to 59 per cent of the operating costs of post-secondary education in Canada at the moment, with the students meeting about 17 per cent of the remainder, the provinces about 21 or 22 per cent in an area which is their exclusive responsibility, it is quite clear that some rearranging should be done in this field.

FUNDING FOR FEDERAL INSTITUTIONS

Mr. Blaine A. Thacker (Lethbridge-Foothills): It is clear that of $25 billion spent in this country on education, the federal government spends only $1.8 billion. The students at post-secondary levels will be getting a knife in the back again.

My supplementary question is to the Secretary of State for External Affairs. He will know that the CAUT made a calculation of cutbacks affecting specific universities. The Secretary of State has four institutions that will lose something like $20 million. The Minister of Manpower and Immigration has two institutions which could lose $32.5 million. The Secretary of State for External Affairs himself has an institution which could lose $10 million. Are there any of you speaking up for post-secondary institutions in this country?

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I think the record of support of this government for educational institutions is well known.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Well and favourably known. The hon. member's representation is quite unnecessary.

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WESTERN DEVELOPMENT FUND

PROVISION OF MONEY IN EXPENDITURE ESTIMATES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to ask a question of the Prime Minister or the Minister of Finance. I suspect I would have more success if I were to ask questions of senior cabinet ministers at "the Big O", because that is probably where they are this afternoon. Indeed, I think we all should be there.

In February of this year estimates were tabled indicating that $350 million was to be spent this year on the Western Development Fund. To this point there has been absolutely no indication of any moneys being allocated or spent in Western Canada under this particular fund. I would ask the Acting Prime Minister whether or not the fund has been forgotten, like all the other major Liberal campaign promises made to western Canada?

Hon. Jean-Luc Pepin (Acting Prime Minister): Reference was made to the Western Development Fund in the last budget of the Minister of Finance. He said that it did exist, and personally I was always told that it did exist.

An hon. Member: You do not even know.

Mr. Pepin: I hope the hon. member will have a clear indication in the coming days of the existence of that fund and its use.

CONSULTATION WITH PREMIERS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, we have been waiting for the government to indicate where it is to be spent. It has been allocated for this year. Could the Acting Prime Minister state first, whether there has been any consultation with western provincial leaders, as promised by the Minister of Finance with respect to this fund? Second, will he confirm the fact that the fund has been reduced by half, to $2 billion from the $4 billion originally dedicated to western Canada?

Hon. Jean-Luc Pepin (Acting Prime Minister): I am not really in a position to indicate any more than I have. This will be shown in the estimates. I am just trying to cheer up the hon. member by telling him that when the Minister of Finance says something does exist, then it does exist.

* * *

GARRISON DIVERSION

POSITION TAKEN BY UNITED STATES ADMINISTRATION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Secretary of State for External Affairs. Two weeks ago Manitobans were heartened when the American Ambassador to Canada told us that the Garrison Diversion Unit, as it is now planned, would be scrapped. He promised documentation from President Reagan confirming his statement. However, last Thursday in Fargo, North Dakota, Interior Secretary James Watt told North Dakota farmers that he and the President supported Garrison. Does the minister have any idea who speaks for the American administration in the Garrison deal, or is that administration in the habit of telling both sides what each wants to hear?

Hon. Mark MacGuigan (Secretary of State for External Affairs): We will have to allow the United States government to speak for itself. They have not said anything like that in their discussions with us on the matter. I have been trying to track down the veracity of that statement. If that statement was made, as reported by the hon. member, we will certainly seek clarification of those words from the United States government.

REPORTED CHANGE IN UNITED STATES ATTITUDE

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I can assure the Secretary of State that that statement was made in a speech to farmers in North Dakota, last Thursday.

Under the Carter administration, both the President and Interior Secretary Andrus were actively opposed to the Garrison project. The situation is clearly opposite with the present administration. In fact Secretary Watt did not even mention Canadian concerns in his Fargo speech. How will the minister's department deal with this change in attitude?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. member is assuming a change of attitude, which is far from clear. The money being spent so far on the whole project will not touch Canada in any aspect. The administration has made no official statement which contradicts its concern for Canadian interests. Apart from the new statement which the hon. member has brought to my attention, as indeed did the Minister of Manpower and Immigration earlier today, we have no evidence of any change in the administration's position. We are checking on that and will make the appropriate representations.

* * *

• (1440)

[*Translation*]

WOMEN

RIGHTS OF INDIAN WOMEN—GOVERNMENT POSITION

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, my question is directed to the Minister of State for Mines responsible for the Status of Women in Canada, whom I also wish to congratulate at this time. I wish to ask her what the government intends to do about restoring the rights of Mrs. Sandra Lovelace of the Tobique Indian Reserve and those of thousands of Indian women like her in Canada, following the decision made this summer by the United Nations Human Rights Commission. Does the government intend to ratify the appropriate instrument at the United Nations and change the Indian Act?

[*English*]

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I thank the hon. member for his question. Yes, indeed, Canada is in contravention of an existing convention because of the Indian Act, and it is an embarrassment to me and to every woman of this country. Just recently the cabinet ratified a decision to sign the United Nations convention which will effectively eliminate all forms of discrimination against women as soon as possible. We did so on the basis of the charter of rights. The cabinet has instructed the Department of Indian Affairs and Northern Development to consult with the Indian people of this country in order to develop a mechanism by which amendments can be made as quickly as possible.

I might add that the support of the members of this House, and the support of the women of Canada, will be with us in the swift passage of the charter of rights and the constitutional package.

Some hon. Members: Hear, hear!

SIGNING OF UNITED NATIONS CONVENTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the minister. I must say that I am pleased that this government has at long last adopted an attitude toward the question of the status of Indian women which was adopted some time ago by my government.

Mr. Chrétien: Vote for the charter, Joe.

Mr. Clark: I am being heckled by the Minister of Justice, who perhaps holds against me the fact that I have not been a liberal very long.

Perhaps I could direct a question respecting timing to the Minister of State responsible for women. She has indicated that there will be a signing and a respecting by Canada of the United Nations declaration. Will that be immediate? Will that occur before the consultation with the native people? Will that occur simultaneously with an amendment to the Indian Act? When exactly will that signature occur, and what exactly will be the time delay before that signature occurs and before that anomaly, which has resulted in the Lovelace case and a great embarrassment to Canada, will be removed?

Mr. Chrétien: Vote for the charter, Joe.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I am delighted that the right hon. member has indicated that he has at least some interest in becoming a Liberal. However, I would like to say the timing, as we see it, is thus: we will be signing the treaty as quickly as possible. At the moment we are awaiting the decisions of three provinces, British Columbia, Ontario and Quebec, which have yet to indicate to us that they will be along with us on the signing of the treaty. We will then institute proceedings to make the necessary amendments. The Minister of Indian Affairs and Northern Development has been instructed to do so. We have a maximum of three years in which to put the amendments into place. However, I hope those amendments will be passed long before that three-year period.

Madam Speaker: The hon. member for Calgary West.

Mr. Hawkes: Madam Speaker, I would like to indicate that I resent the implication that there are not men as well as women who are concerned about the issue addressed by the minister.

* * *

EMPLOYMENT OPPORTUNITIES FOR THE '80s

COMMITTEE'S RECOMMENDATIONS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce, in the absence of a number of other ministers. The Minister of Industry, Trade and Commerce should have in his possession the report of the special parliamentary task force on employment opportunities for the eighties. In that report the all-party committee indicates clearly that it is the opinion of the committee that one of the difficulties faced in Canada today is the shortage of trained manpower. I wonder if the minister could give us an indication of whether he agrees with that over-all assessment and with the general thrust of the committee's recommendations relevant to correcting the situation.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think the task force has done an excellent job of exploring the problem, analysing it and presenting a vast range of recommendations. I personally agree with the conclusion of the report that one of our problems in this country is a shortage of skilled manpower. We in the government are actively reviewing the recommendations and actively working on other programs we were considering even before the report came out. I am sure the report will be a very useful input into the decisions we will be taking and announcing before too long.

POSITION OF MINISTER

Mr. Jim Hawkes (Calgary West): Madam Speaker, my supplementary question is directed to the Minister of Communications. In view of the answer from the Minister of Industry, Trade and Commerce I wonder how the Minister of Communications can justify his answer earlier today relevant to the need to cut back funding for educational purposes. If in fact we face a shortage of skilled manpower in this country, has the minister not read our report, is he quarrelling with our report, does he wish to rescind his earlier answer, or will he hold firm and indicate that the government still intends to cut back funds in the face of that training crisis?

Hon. Francis Fox (Minister of Communications): Madam Speaker, that was not the intent of my initial response. I think I have been reinforced by what the minister has just stated. It indicates quite clearly that there are national goals which must be pursued in the educational field in Canada and that any one province trying to set up professional training cannot take into account the over-all needs of the country. If the federal government indeed is going to continue to be funding 59 per cent of the operating costs of the university and post-secondary education system in general in the country, obviously some national goals ought to be met by that system.

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FREEDOM OF INFORMATION

PRESS REPORTS OF RCMP ACCESS TO FILES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Communications, and it has to do with reports in the press that the government is intending to make some changes in its proposed freedom of information act, specifically changes which would allow the RCMP criminal investigation and security staffs access to data respecting citizens' social insurance files, income tax files,

family allowance files, and old age pension files, as well as to information on finance, marital histories, social welfare benefits, and employment histories. Is the minister contemplating changes in that legislation to the extent which has been set forth in this report, or will the minister leave that legislation alone so that Parliament can get on with it and deal with it?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I believe my views on the subject are well known. I would very much like to see Parliament deal with the access to information legislation as soon as possible. My understanding is that the opposition parties are now willing to deal with the matter, with a maximum number of hearings amounting to approximately six hours' duration. I will be very pleased to see if the opposition will live up to that undertaking in the weeks to come.

On the specific question, my understanding is that the McDonald report is being considered by legal experts in the Department of Justice. I am not contemplating any of the changes referred to by the hon. member. I certainly am not contemplating them at this moment. I have not received any recommendations to that effect from the Minister of Justice.

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NORTH-SOUTH RELATIONS

STATEMENT MADE BY MINISTER OF AGRICULTURE ON INTEREST RATES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Acting Prime Minister. Was the Minister of Agriculture speaking on behalf of the government when he stated in August, as reported by the Kitchener-Waterloo *Record*, about the interest rate policies of the government, "We're literally starving them to death by the millions" with reference to people in poor countries who cannot afford rising energy and interest costs? Second, the minister said, "It's crazy to try to control inflation with interest rates. You kill people with that."

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, why do we not ask the minister?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the interest rates in those countries are much higher than they are in Canada. Some of the people in those developing countries to which I was referring, if the hon. member wants to quote the whole text of the speech and listen to the tapes also—because it was all taped—are paying interest rates as high as 50 per cent. It is a form of usury.

The cost of fertilizer in those countries—and some of that comes from Saskatchewan—is three times as high as it is in Canada. Diesel fuel in those countries costs $5 a gallon and gasoline over $5 a gallon. Wages are $1 a day. Eggs cost $2.50 a dozen. What are we doing to them when they are being subjected to world costs like that? That was the context of that speech.

MINISTER'S POSITION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the minister said, "It's crazy to try to control inflation with interest rates. You kill people with that." How can the minister continue to associate himself with a government the central policy of which is precisely that?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows that the Prime Minister attended several world meetings this summer and fall. He will be attending another one this week which is concerned with those very things I am talking about. I refer to interest rates, energy costs, and how we are to help the rest of the world. This government is concerned about those things.

* * *

UNEMPLOYMENT INSURANCE

INTERPRETATION OF LEGISLATION—EFFECT ON HAMILTON WORKERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Employment and Immigration which I assume his parliamentary secretary can answer for me. In Hamilton, 50 workers have been laid off since July 31 because they work for two companies which do business primarily with the Steel Company of Canada. They have been denied unemployment insurance benefits throughout that period under section 44(2)(a) because they happen to belong to the same international union, and in some obscure way some of their dues may well go toward supporting the strike fund. Does the Minister not think that kind of interpretation is too narrow, and that the section was never intended to be used to deprive people of what they were rightfully entitled to and for which they must make payment every week? Will he review it and have it corrected?

• (1450)

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, the question asked by my hon. colleague is indeed very important, and there are a number of aspects to the strike which is now taking place in his riding. It is clear that the Stelco employees who called the strike and who are thus supporting the cost of picketing are not eligible for unemployment insurance benefits. The two subcontractors, the companies to which he has just referred, are faced with a serious problem, but we must understand that they are in the same situation as the strikers, that is, they made contributions to the parent company. That is why the employees of the two companies in question which have made a contribution to the company are not eligible. Of course, if we had more details we would be able to give this matter closer scrutiny, and what my hon. colleague suggests is a change in policy within the department. I am sure that the minister and

the other members will look into this problem and see if anything can be done.

[*English*]

REQUEST FOR EARLY CLARIFICATION

Mr. Ian Deans (Hamilton Mountain): Surely the parliamentary secretary and the ministry understand that for workers to wait from July 31 until today, almost seven weeks, without money, while they wait for the bureaucracy to grind ever so slowly to a conclusion, is unconscionable. I ask the minister, through the parliamentary secretary, will they now move to clarify this ridiculous anomaly and create fairness within the system that we have, to protect people against unemployment and the hardships of unemployment?

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, of course we understand what is happening to these workers but, as I mentioned before, the department is fully aware of the situation and will examine this case to see if anything can be done. As I have already pointed out, these strikers have broken the law and have paid dues like the strikers who called the strike.

* * *

[*English*]

AGRICULTURE

RESPONSIBILITY OF FINANCIAL INSTITUTIONS TO FARMERS

Hon. Bill Jarvis (Perth): My question is for the Minister of Agriculture and is with regard to enormous pressures on Canadian farmers caused, on one hand, by high interest rates and high input costs, and on the other by the lack of compensating higher incomes. The minister has been saying for months that Canadian lending institutions, specifically banks, have a responsibility to their farm customers. First, I should like to ask the minister what he regards this responsibility to be; second, how may we be assured this alleged responsibility by Canadian banks is being or will be discharged properly?

Hon. E. F. Whelan (Minister of Agriculture): In this country the responsibility with lending institutions is very great. When we investigated, we found that of the people who made representations to my ministry, 90 percent had been improperly lent money by the banks for term capital investment. The banks lent them huge amounts of money on demand notes and floating loans that should have been on 10 or 20-year mortgages. When interest rates increased they could not meet the payments. It is mostly in one sector of agriculture, and that is the red meat industry. The beef and pork production entities are in great difficulty. The horrible lending policies of most lending institutions is the problem. Under the present Bank Act we say there is room to lend the farmers the money on long-term financing and at reasonable rates of interest, giving them a moratorium on a 20-year mortgage of three years, and amortizing the first three years without capital or interest, until they organize themselves into a better marketing system. It is those farmers outside of a proper marketing system who are in financial difficulty today.

MINISTER'S PROPOSALS TO BANKS

Hon. Bill Jarvis (Perth): If the lending institutions, as the minister alleges, are at the worst ripping off their farm customers, or at the least not discharging their proper responsibility to those farm customers, can the minister tell us exactly what he wants the banks to do? Has that been communicated in exact terms to the banks? If not, when will it be, either by the minister directly or through his colleague, the Minister of Finance? What mechanism does the Minister of Agriculture propose to make sure that that, in fact, is what happens vis-à-vis the relationship between the banks and their farm customers?

Hon. E. F. Whelan (Minister of Agriculture): Under the present Bank Act, Madam Speaker, there is room for them to move. I have had meetings with the heads of the Canadian banking institutions as far back as May, when we became concerned with representations that farm organizations and farmers made to us about some of the things they foresaw happening. I have hundreds of letters where they made appeals to me about their financial situation. We have gone over this with the Canadian Bankers' Association. We met the president of the Canadian Bankers' Association less than two weeks ago. We discussed the very things I have mentioned to the hon. member. I also had the same kind of discussions with my colleagues, especially the Minister of Finance. We will have to be patient and wait until November 3.

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FISHERIES

DANGER FACING SCALLOP FISHERY ON GEORGES BANK

Mr. Lloyd R. Crouse (South Shore): I direct my question to the Minister of State for External Affairs. At the present time the deep sea Canadian scallop fishing industry is in danger of being totally destroyed due to indiscriminate fishing by the American fleet on Georges Bank. I therefore ask the minister, in view of the economic importance of this industry to Nova Scotia and, in fact, to all of Atlantic Canada, whether he has held recent discussions with his American counterpart concerning this important issue and, if so, what response was received?

Hon. Mark MacGuigan (Secretary of State for External Affairs): On the question of the boundary arbitration, I can say we are in the final stages of negotiation. But the hon. member raises the other problem of the conservation of the fisheries, which will continue to be a matter of concern however the boundary question is settled. In regard to that I have to say our discussions with American authorities have not been satisfactory. There seems to be considerable resistance on the part of the American fishermen in accepting the same kind of

regulations that Canadian fishermen are prepared to accept. We have not been able to make any progress in regard to that. I have not recently discussed this matter with Secretary of State Haig. I undertake to do so.

QUERY RESPECTING CANADIAN GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): I thank the minister for that answer. It now appears that the United States is doing its utmost to destroy the Geneva convention on the 200-mile economic zone. Since most of what we have obtained so far in maritime terms beyond the old 3-mile limit has been obtained only by unilateral declaration, in light of the economic impact this American action will have on Canadian fishermen, on processors, and on our offshore resources, on our claimed jurisdiction over the Arctic archipelago and unregulated competition in the production of nickel through seabed mining, I therefore ask the minister what action he is planning to take on behalf of the Canadian people over this important issue?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The actions our government can take are limited, to a large extent, by those on which we can reach agreement with the United States. At the present time we have not been able to reach that agreement. I hope the American government and the fishermen it represents will hear the plea of the hon. member and Canadian fishermen. The settlement of the boundary dispute, and a settlement as to who is able to fish where, will not contribute very much to anyone's welfare as far as fish are concerned if the fishery stock has been depleted. Indeed this is a serious concern, as the hon. member has said. We are very concerned about it, and so far we have not had the co-operation that we would wish to see from the American fishing industry.

* * *

● (1500)

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Friday, October 16, 1981, and finds that they meet the requirements of the Standing Orders as to form.

[*English*]

PRIVILEGE

MR. BROADBENT—ALLEGED MISLEADING REFERENCE TO REPORT BY MINISTER

Mr. Edward Broadbent (Oshawa): Madam Speaker, earlier in the question period in an exchange between myself and the Minister of Public Works (Mr. Cosgrove), the minister indicated that I was misinforming the House when I talked about a report prepared in his department that made certain forecasts in the housing industry dependent upon a 21 per cent mortgage. In my question I said 21 per cent, and I repeat it. I have checked the document with care and I found one reference on page 2, two references on page 3 and two references on page 6 to the 21 per cent, which is the figure I used.

The one slight bit of information on the minister's side is that one of the references, and one only, indicates 21 per cent to 22 per cent. Everywhere else the basic assumption of the report, which was the point of my question, indicated that the forecasts were based on a 21 per cent mortgage. The minister rose and misinformed the House when he said that what was discussed in the report was 22 per cent.

May I conclude with one point. He quoted the report—

Madam Speaker: Order, please. I am afraid the hon. member is simply debating a question. There is dispute as far as the facts are concerned. The hon. member knows that this does not constitute a prima facie case of privilege. Unless the hon. member has another point to make, I cannot allow him to continue because it certainly does not constitute a question of privilege.

Mr. Broadbent: Madam Speaker, the point I was coming to was that not only did he misinform the House, but there is a very serious point of order at stake because he quoted from the document. Section 327 of Beauchesne's fifth edition reads:

> A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

Since the minister was quoting, I think at last in this whole debate where the minister has not had the courage to produce the document, he has put his foot in it. As I understand the rule, he has quoted from the document and, therefore, he should table it before the House.

Madam Speaker: My recollection is that the hon. minister referred to a figure in the document. I did not have the impression that he actually quoted from the document, but we could look at the "blues" to find out whether he really quoted from it. My recollection is that he just referred to a figure which was in the document. However, I will look at the "blues" and determine whether there is basis for the hon. member's point of order.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the hon. member opposite in his question of privilege indicated that I misled the House. I should like to indicate that I well understand the embarrassment of the hon. leader when

he alleged earlier last week in the House that 85,000 Canadians would lose their homes before Christmas of this year. I understand the embarrassment from such wild statements, but his cheap theatrics this afternoon of referring to a report I have not read and then saying that I introduced it to the House is a pretty slim basis for a question of privilege.

Miss MacDonald: Why have you not read it?

Madam Speaker: It is quite obvious to the House that hon. members are debating, and that is not allowed at this time.

Hon. Erik Nielsen (Yukon): Madam Speaker, I would just express the hope that you will, as I know you will, follow the long-established practice and precedent in the House by hearing more than the brief submission of one member who raises a point of order before making your ruling. As I understand what the Chair has said today, the "blues" will be examined and the matter dealt with tomorrow. I hope before dealing with that matter that Madam Speaker will hear a further submission on a point which has not yet been addressed to the Chair and which I would like to raise tomorrow on the point raised by the hon. member for Oshawa (Mr. Broadbent).

Madam Speaker: What I have been doing in the House is following my own precedents. When I am certain that there is not a question of privilege invoked, I immediately rule on it. If I am given no arguments in the first four, five or six sentences that there might be a prima facie case of privilege, it is quite clear that I can say to the House that I feel there is no basis for a question of privilege.

As to the particular point raised by the hon. member, once hon. members have read the "blues" and if they feel they have some points to make, naturally I will listen to them tomorrow.

Mr. Nielsen: Madam Speaker, I was not referring to the question of privilege of the hon. member. I was referring to the point of order which in this instance has an equal importance. I should like to be heard on the matter tomorrow, since there is a point which has not yet been placed before the Chair, before the Chair makes its ruling.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CLARK—EFFECTS OF HIGH INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as I have done on each day since we began our sittings again last week, I would ask leave of the House to lay upon the Table petitions signed by Canadians concerned about the impact upon their ability to keep their homes because of the deliberate high interest rate policy of the Liberal government. These petitions come from communities large and small

across the country. One petition is signed by 23 residents of the communities of Godfrey, Munster, Kingston and Harrowsmith in the province of Ontario. Another is signed by some 144 residents of the city of Bowmanville in the province of Ontario. Another is signed by some 914 residents of the city of Metropolitan Toronto in the province of Ontario. The fourth petition is signed by 2,409 residents of the cities of Brampton, Mississauga, Rexdale, Fergus and Georgetown in the province of Ontario.

MR. BLAIKIE—CUTBACKS IN FEDERAL TRANSFERS TO PROVINCES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I ask leave to present a petition protesting the government's intention to cut $1.5 billion from federal transfers to the provinces. This petition, signed by university students from across Canada, was assembled by the National Union of Students. This petition requests that the Government of Canada stop the cutbacks to education and social services, convene a public inquiry into post-secondary education, replace student loans with grants, ensure funds allocated to education are spent only on education, and make public the full, final report of the federal-provincial student aid task force.

MR. McCAIN—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I have the privilege of presenting a petition signed by 2,248 citizens who are served by the rail passenger service passing through Juniper, New Brunswick. It is my hope that this petition may be found in order by Madam Speaker and may become a subject matter for discussion in the House.

For Madam Speaker's information, this petition was engineered and conducted by a lady in a small village of rural New Brunswick. In support of her community, Mrs. Heather Pelletier of Juniper, New Brunswick, has collected 2,248 signatures.

MR. NICKERSON—OWNERSHIP OF OIL AND GAS INTERESTS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I should like to present to the House of Commons a petition against the passage of Bill C-48, which would entrench the control and ownership by the federal government of oil and gas in the Northwest Territories. This petition contains the signatures of some 1,070 people from the Western Arctic constituency and objects in the strongest possible way to Bill C-48 in that it would prejudice the settlement of native land claims, block the evolution of responsible government in the north, and disable northerners from developing their own economy. The petitioners want to share the resources of the north with other Canadians, but at the same time demand that the interests of northerners be protected.

Order Paper Questions

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,403, 2,440, 2,679, 2,726, 2,761 and 2,789.

[*Text*]

LOCAL COMMUNITY SERVICE CENTRES

Question No. 2,403—**Mr. Herbert:**

Does the Department of National Health and Welfare suggest guidelines for or determine the limits of family planning services in local community service centres that receive financial support from the department?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): The Department of National Health and Welfare does not suggest guidelines or determine the limits of family planning services in any local community service centre that receives financial support from it.

FAMILY PLANNING SERVICES

Question No. 2,440—**Mr. Gamble:**

1. Did the Department of National Health and Welfare approve on April 21, 1981 a $90,000 grant to the Quebec department of social affairs for the development of family planning services in the local community service centres?

2. Were grants for similar purposes approved for the 1981 fiscal year for the provinces of (a) Newfoundland (b) Prince Edward Island (c) Nova Scotia (d) New Brunswick (e) Ontario (f) Manitoba (g) Saskatchewan (h) Alberta (*i*) British Columbia and, if so, for what amount in each case?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. On February 25, 1981, (fiscal year 1980-1981), the Department of National Health and Welfare approved a $90,000 grant to the Quebec department of social affairs for the development of family planning services in the "centres locaux de services communautaires".

2. In the fiscal year 1980-1981, the following amounts to the provinces and territories, who have requested it were approved for similar purposes:

Newfoundland	No request		
Prince Edward Island	Yes	18,000	Education Co-Ordinator
Nova Scotia	Yes	40,000	Demonstration in training professionals
New Brunswick	Yes	13,000	Resource library, audio-visual and teaching aids purchase
Ontario	No request		
Manitoba	No request		
Saskatchewan	Yes	40,000	Health promotion and counselling for high risk youth
Alberta	No request		
British Columbia	Yes	30,000	Health education consultant
Northwest Territories	Yes	50,000	Family planning project for the Northwest Territories
Yukon	Yes	31,527	Family planning and family life education

GOVERNMENT'S ELECTRICITY BILL

Question No. 2,679—**Mr. Beatty:**

What was the government's annual bill for electricity for the fiscal year (a) 1977-78 (b) 1978-79 (c) 1979-80 (d) 1980-81?

Hon. Paul J. Cosgrove (Minister of Public Works): The following expenditures were made from Public Works Canada appropriations in:

	$000's
(a) 1977-78	$28,073
(b) 1978-79	$31,507
(c) 1979-80	$34,567
(d) 1980-81	$39,018

It should be noted that electricity may be included in some leases and, as separate figures are not kept for the cost of electricity, these are not included above.

ELECTRONIC PAYMENT SYSTEMS

Question No. 2,726—**Mr. Beatty:**

Do individual or bodies within the government currently have responsibility for making recommendations to the government relating to electronic payment systems and, if so (a) what is the name of the individual or member of the body involved and for which department or agency does he/she work (b) to whom are reports made (c) on what date was the responsibility for the systems first given to that individual or body (d) on what date does the mandate of the individual or body expire (e) since June 16, 1976, what reports or recommendations were made and on what date (f) what action was taken by the government as a result of any recommendations and on what date?

Hon. Pierre Bussières (Minister of State (Finance)): In so far as the Department of Finance is concerned: In April 1978, the government published a green paper entitled "Computer Communications Policy, a Statement by the Government of Canada." That paper contained a number of statements indicating the government's "current perception" on various computer/communications issues. Statement 16 of this paper said in part: "Recognizing the critical and pervasive role of financial institutions in the functioning of the economy, it is very important that, in the rapid evolution of computer/communications involving the payments system of the nation and other financial services, a competitive environment should be maintained and that developments be consistent with the general policies outlined herein. An interdepartmental working group was given the task of preparing recommendations to ensure the continuing development of an efficient and equitable payments system. It was chaired by the director, capital markets division, Department of Finance and included representatives from the Receiver General for Canada, the Bank of Canada, the Departments of Communications; Industry, Trade and Commerce; Consumer and Corporate Affairs. The working group's recommendations were presented to cabinet jointly by the Ministers of Finance and Communications. Subsequent to their evaluation by cabinet, the government, in January, 1975, published a position paper entitled, "Towards an Electronic Payments System—A Statement of Government Policy concerning Computer/Communications and the Pay-

ments System." In this paper, the government announced its support for a common user communications network for the payments system and the creation of four committees with responsibility to make recommendations relating to an electronic payments system: 1. Interdepartmental Steering Committee on the Electronic Payments System. This committee, chaired by the director, capital markets division, Department of Finance, is responsible for the over-all co-ordination of government policy on the electronic payments system, including the maintenance of liaison with committees 2, 3 and 4 as described below. (a) In addition to the chairman from the Department of Finance, this committee includes representatives from the Bank of Canada and the Departments of Communications, Consumer and Corporate Affairs, Supply and Services, and Justice. (b) The Minister of Finance and the Minister of Communications. In addition, each departmental representative reports to his or her Minister. (c) January 1975. (d) No expiry date. (e) No report to date. (f) Not applicable.

2. A private sector committee, the Canadian Payments System Standards Group (CPSSG), was given the mandate to develop standards and performance criteria that would be used in a common-user communications network for the payments system. (a) The CPSSG was made up of representatives from deposit-taking institutions, common carriers and computer equipment manufacturers and others, as required, including retailers. It was chaired by Mr. Roger Charbonneau of l'École des Hautes Études, Montreal, whose services were provided through the auspices of the Bank of Canada. (b) The CPSSG reported to the interdepartmental steering committee on the electronic payments system. (c) January 1975. However, the chairman was not appointed until September 25, 1975, and the group's first meeting was not held until April 27, 1976. (d) The CPSSG expired with the submission of its final report. (e) Interim report was issued in February, 1977, and final report in July, 1978. (f) The report is currently under study.

3. Justice Study on Legal and Consumer Issues. This study was conducted under the leadership of the Department of Justice. It was charged with the responsibility to ensure that the legal framework for the payments system evolves in line with new payments methods and that the legal and consumer aspects are considered. This study was conducted in consultation with interested parties, including the Departments of Finance, Communications, Consumer and Corporate Affairs, Supply and Services, the Bank of Canada, and the Royal Canadian Mounted Police. (a) See above. (b) The Minister of Justice. (c) January, 1975. (d) The justice study committee expired with the release of its final report. (e) Final report was issued in October, 1980. (f) The report is currently under study by the interdepartmental steering committee. Discussions are also being held with provincial governments and other interested parties.

4. Committee on Credit/Payment Cards. This committee, chaired by an officer of the capital markets division, Department of Finance, was established to examine the financial markets structure and competition policy aspects of generalized credit card systems and payment cards. (a) This committee, in addition to the chairman, includes representatives from the Bank of Canada, and the Department of Consumer and Corporate Affairs, and the Department of Justice. (b) The Minister of Finance. (c) January, 1975. (d) No expiry date. (e) No report to date.

MR. TIM PORTEOUS

Question No. 2,761—**Mr. Cossitt:**

1. Was Mr. Tim Porteous at any time employed in the Prime Minister's office and, if so (a) in what capacity (b) did he have any responsibility for the appointment of his brother-in-law, Mr. Don Marriott, as director of restaurants and catering of the National Arts Centre?

2. Is Mr. Porteous at present the director of the arts division of the Canada Council?

3. What is the complete record of Mr. Porteous in the public service?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canada Council as follows:

1. Yes.

(a) Head of public statements division. Executive Assistant.

(b) No.

2. Mr. Porteous is the associate director of the Canada Council.

3. Mr. Porteous has never been a member of the public service.

ONTARIO HEALTH INSURANCE PREMIUMS

Question No. 2,789—**Mr. Herbert:**

1. Do public servants, resident in provinces other than Ontario, receive any payment from the government of a sum of money equivalent to the amount of the benefit received by residents of the province of Ontario who are federal public servants, as a contribution towards the cost of Ontario Health Insurance premiums?

2. Is any amount so received a taxable benefit?

3. To the knowledge of the government, is such payment taxed by the applicable provincial authority?

Hon. Donald J. Johnston (President of the Treasury Board): 1. The government, as employer, makes a contribution to the costs to employees of their provincial health care programs in all provinces (including Ontario) and the territories. In the premium-levying provinces of British Columbia and Alberta, and the Yukon territory, the government's contributions are paid directly to the provincial health authorities as a portion of the total premiums levied. In the provinces which do not levy premiums, and the Northwest Territories, the government's contributions are made annually in the form of cash payments to employees. The amounts of these contributions are calculated without reference either to the amount of the Ontario Health Insurance Plan premiums or the government's contributions thereto.

2. Both the amounts of contributions toward premiums, and the cash payments, are taxable benefits.

3. Those contributions and payments are subject to provincial taxation in the same manner as any other taxable income from employment.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Friday, October 16, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 34 (Mr. Ittinuar), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton) and 57 (Mr. Fulton).

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, certain amendments to Bill C-48 have been proposed and presented to the House for determination. These amendments include a definition of a "spill"; the inclusion of an "authorized spill" in the provisions of the bill as equal in implication to that of "accidental spill"; the requirement of reporting a spill and informing those people likely to be affected; the liability for economic loss or damage resulting from a spill; the composition and use of a compensation fund; and the reduction in the absolute discretionary powers of the minister to make determinations affecting environmental considerations and the people who populate Canada lands.

In advancing and discussing these amendments and their ramifications, the intent is to strengthen and enhance this part of the bill which reflects acknowledgement of the larger and larger proportion that environmental protection assumes in the responsibilities of governments, industry and individuals.

Last week's distribution of the report of the subcommittee on acid rain gives emphasis and impetus to the environmental character of everything we undertake. It is entitled "Still Waters—The Chilling Reality of Acid Rain". It is a demand for more than lip service notation of this specific environmental disaster. The intent of the debate today and last week is that the same demand for adequate attention be put to the government.

In the report "Still Waters", the subcommittee recommends that the following elements be included in environmental protection legislation to effectively reduce pollution in general and particularly acid rain air pollution. First, the imposition of penalties high enough to ensure that there is no benefit from saved cost of compliance in case of non-compliance; second, the creation of a tribunal which would have exclusive jurisdiction over environmental law prosecution; and, further, the provision of a funding mechanism for class actions which would otherwise not be instituted due to inadequate financial resources on the part of the initiators.

Pending consideration and implementation of the reforms advocated in the previous recommendations, the subcommittee recommended that effective steps be taken to apply existing environmental protection legislation.

Last spring the Special Committee on Alternative Energy and Oil Substitution released a report entitled "Energy Alternatives". There, too, environmental anxieties were expressed in the section entitled "Environmental Concerns" on page 59, as follows:

> The exploitation of energy cannot be accomplished without having some effect upon the environment, but different energy options affect the environment in differing ways and degrees . . . It would not make sense to formulate an energy policy which would solve energy problems but create serious environmental ones.

That refers to energy alternatives.

In light of some of the provisions of Bill C-48 we must ask how the concerns of these special committees will be serviced with any degree of confidence and certainty. How will the Minister of the Environment (Mr. Roberts) possibly fulfil these recommendations which are within his mandate when, in fact, he can only act and react with the sanction of his superior minister? Where does this bill demand that environmental impact studies be a mandatory part of exploration and development? It does not, Mr. Speaker. It allows that the minister—not the minister responsible for environmental matters but the Minister of Energy, Mines and Resources (Mr. Lalonde)—may require certain things. This, of course, will only be after considering his primary function and his ministerial responsibilities.

How is this discretionary power implanted in one person, one office—I think I should say two, in deference to the other minister who is present—translated into positive action for protection of this narrow envelope which encircles the globe we live on? One man, and one man only, will decide.

I am pleased to have the opportunity to speak to this important piece of legislation which bears such implications for the future of Canada. Our society, like every modern society, moves, manufactures, builds, farms, communicates, warms, cools, lives, on the basis of its energy supply and distribution. It may be trite to comment on the happy circumstance in which we Canadians find ourselves, with a variety and volume of energy sources unmatched in the world. It is also trite and increasingly unnecessary to remind ourselves and Canadians generally that the only impediment to a parallel, unmatched prosperity in Canada is that imposed by the policies of the government. It is a government which has had

nearly a quarter of a century of opportunity to enact its will upon the nation but there is unimpeachable evidence of a careless disregard for that trust. There is absolutely no valid excuse that can be advanced by hon. members opposite to explain and rationalize a situation in which Canadians sitting on absolute energy wealth are, nevertheless, petroleum supply dependent.

Just as it is Liberal government policy which has produced interest rates which are 4 per cent to 5 per cent higher than those in the United States, together with all the attendant social and economic woes which these irresponsibly invoked interest rates have imposed, so it is Liberal government "easy-way-out" energy policy and putting party interests before national interests that have produced the present unpleasant reality that Canada faces today regarding energy.

In this circumstance it ill-behooves the Minister of State for Mines (Mrs. Erola) to frame her speech to this House last Wednesday with statements that contained, first and last, unworthy and uncouth criticism of members on this side of the House. No amount of such prima donna preening will lead Canadians to misinterpret the record of this government.

Before we discuss the proposed amendments to Bill C-48, Mr. Speaker, I think we should look at some of the remarks and accusations made by the Minister of State for Mines. Two questions were posed in the statement of that minister. The first was: How much has Conservative obstruction cost this country in terms of our stated goal of reaching energy self-sufficiency? The answer is not one day; not one dollar. The Canadian people know who has been the culprit in delay and in cost. The Canadian people understand the difference between the Conservative's 18 cents and the Liberal government's shameful betrayal in the form of 50-cent or 60-cent gasoline price increases.

● (1520)

The second question is: How many Canadian oil and gas companies have been denied an opportunity to participate in promising Canada lands exploration due to this opposition? Again, the answer to the minister's question is not one. The question should be turned around, rephrased and directed at the hon. minister and her government: How many dedicated, talented, hard-working Canadians, and how many drilling and servicing rigs have been forced out of Canada to the United States and to Australia by the policies of this administration? In the words of the minister, how much has this cost the country in terms of our stated goal of reaching energy self-sufficiency?

Perhaps forcing drilling and development activity out of Canada is this government's ultimate weapon in protecting the Canadian environment. Let me say that only when this government puts forward legislation which is above criticism and above improvement, and when the government starts listening to the people and allows elected members to participate meaningfully in the formulation and improvement of legislation, just that soon can it be expected that we will react in the manner that the hon. member for Nickel Belt seemed to suggest, namely, that this House should pass legislation quickly. Passage of bills will develop as we have confidence and as we can study and make suggestions. However, just so long as the attitude remains that the views of hon. members are a nuisance, relegated to the dark confines of committee from whence they can be ignored into oblivion, can it be expected that this House will be the forum for expression and opposition to imperial, impaired judgment.

The interpretation of "Trudeaumocracy" in this House does not impress us in the least, and it does not impress Canadians whose intelligence is continually misjudged and insulted. The constituents I am honoured to represent would most certainly support tough environmental conditions in this bill. They understand the pressures put upon an area's ecological balance by the influx of people and the influx of industrial and development activity. I believe that the people for whom I speak resent the degree of ministerial and bureaucratic judgment which can so often yield to an element of expediency, whether it be political or economic expediency.

The area which I represent has one of the most fragile ecological environments contained within our Canadian borders, with only 10 inches of annual precipitation, with a consequence that our lakes and our land receive little of the flushing, laving action which rains and snow provide. With the compaction of increasing numbers of citizens within its limited but favoured bounds, we can understand environmental concerns. We can understand and appreciate the necessity for those parts of this legislation concerned with protection of other environmentally vulnerable areas of Canada. I might say that we are impressed that recognition is given to the fact that adequate funding is one of the keys to protection of the environment. We will be making our case for similar financial recognition of the costs involved in protection of the Okanagan valley chain of lakes, affecting, as it does, the quality of lives for hundreds of thousands of citizens and tourists, and costs that exceed the resources which municipal and regional governments can muster.

Let me invite hon. members of this House to visit Okanagan-Similkameen so they can develop an appreciation of why residents there are alert to protecting the ecology anywhere in Canada, including Canada lands. Come with me to view Vaseaux Lake, where more than 100 acres of lake surface is matted and destroyed for use by Eurasian milfoil. Come with me to Osoyoos; talk to Mayor Frost and his council, and talk to the chamber of commerce. Let them describe one community's uphill battle to preserve the integrity of their lake, with its attraction for tourists whose patronage is so essential to the economics of that area. Come with me to discuss environmental concerns with those who are alarmed by the possible uranium mining development.

Yes, the citizens of Okanagan-Similkameen are alert to the dangers which development brings to our area. We can understand and appreciate the reason for the environmental protection sections of this bill. We relate to the alarm stated by groups and individuals from lands covered by Bill C-48. That is why I must note that there are aspects of the environmental

provisions of this bill which require—I emphasize require—criticism and require change.

If the notation has been made by hon. members who have spoken previously, the implication must be that the error is so glaring and so gross, and the remedies are so apparent, the government is so obtuse, and the consequences are so grave, that the point must be made and made again. We challenge hon. members opposite to do something to remedy the flaws that provoke our attention. That is what we suggest.

The guts of our complaint about the environmental inclusions in Bill C-48 is simply that there seems to be a determination to ensure that in the future environmental concerns will be addressed with the same effectiveness that the Liberal government's National Energy Program has addressed the whole area of energy self-sufficiency and pricing. Why else would Bill C-48 relegate the Minister of the Environment to such a subservient role in the only area of his competency and mandate, allowing him to act only upon the blessing of other ministers whose primary responsibilities deny a detached objectivity in this secondary role?

We have the emperor Prime Minister (Mr. Trudeau), and now we will be provided with the czar of energy, spreading his jurisdiction into environmental areas of concern in which he will have a paramount vested interest. Surely such conflict simply ensures the mediocracy of environmental protection efforts. To this aspect we take umbrage. It was the Minister of Energy, Mines and Resources who, in presenting Bill C-48 to this House, acknowledged the importance of environmental protection in oil and gas exploration and said on December 11, in the first phase of this debate, that the bill contains:

> —a whole series of provisions so that the government can be sure that exploration in the north and offshore is ecologically sound and that exploration work and the actual projects are respectful of the environment which, as everyone knows, is extremely fragile in these regions.

So said the minister—words, the intent of which is not totally borne out in the text of the bill.

On October 15, 1981, the same minister made this statement in the House:

> —the minister will hold what I would call blank cheques from oil and gas operators which can be drawn to compensate claimants without proof of fault or negligence. This means that claimants will have two avenues open to them, one, the judicial process, the other a direct claim to the minister—

● (1530)

They will have the option of filing claims either before the courts or directly with the minister. That is wonderful, but it is noteworthy that the minister holds the power to respond. By his own admission he will merely allow the Minister of the Environment a corroborative role. That is the fallacy of the bill. The basic flaw is too much ministerial discretion. Where is the advocate for the environment? Where do the people who are most affected, the residents and the present occupiers of these Crown lands, have a voice and an effective instrument acting on their behalf? We now have a ministerial explanation of the purpose of the fund which is to be developed. Unfortunately, the bill does not explicitly state that purpose.

Canadians have learned only too well the degree to which they can rely on the word or the promise of this government and of those who speak on behalf of this government. As the hon. member for Kamloops-Shuswap (Mr. Riis) noted on Friday, even if the present minister evoked great and general confidence, this act remains long after the present minister departs.

A recently leaked bulletin indicates the concern this government has regarding its loss of credibility with respect to energy pricing in light of its election promises to keep the price of gasoline low.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. gentleman, but I must advise him that his allotted time has expired. Nevertheless, he may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. King: Mr. Speaker, I thank hon. members for their indulgence. Recognizing that the credibility of this government is at an all-time low, as revealed by the recent Gallup poll, this must surely induce the government to take note of the suggestions made by members of this House and by groups such as the Canadian Arctic Resources Committee, and most specifically amendments coming from that committee.

In the submission made to the Standing Committee on National Resources and Public Works, the Canadian Arctic Resources Committee made some telling points. Let me quote from the section entitled "Control of the fund is in the wrong hands", which in part reads:

> However, the Minister of Energy, Mines and Resources, by the nature of his position, must weigh environmental protection against the need for development. EMR has an obvious first responsibility towards energy supply. That ambiguity can lead to conflict. Therefore, the Minister of the Environment should be the one in charge of the fund.

I must add that the possibility of this conflict occurring is intensified by the growing intimacy and relationship between the Department of Energy, Mines and Resources and Petro-Canada, an intimacy evidenced by the appointment of Michael Phelps to the minister's staff while he benefits financially from a purported position within PetroCan. This is yet another unhealthy ignoring of convention.

Let me say in conclusion that I support the stated intent of this bill. We support the development of an adequate fund for its broad general purpose of ecological safety. We take issue not with the principle but with the substance and the detail. We ask specifically that the mandate of the Minister of the Environment be recognized, honoured and activated in fact and in act. I say remove the subordinate corroborative role in which the minister finds himself in the relationship established by the provisions of this act. We simply ask that in the area of environmental concern this bill not be emasculated but instead given a chance to work.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure for me to speak to the motions which have been grouped together for

this debate. Each of them deals with some aspect of oil and gas spills and the consequent threat of environmental damage.

Needless to say, the government is extremely sensitive to this danger and will continue to do everything within its power to prevent any such accidents. At the same time we are realists, and while we demand every care and caution, we must also be prepared for the worst should it ever happen. Appropriate measures have been designed to cope with any emergency that might arise.

As members are aware, the motions we are now debating are just eight of 57 on the Order Paper dealing with Bill C-48. That may sound like a lot, but I think it is a very healthy sign indeed. It reflects an awareness and real appreciation of the importance of legislation designed to bring long-term benefits to the country as a whole, and which has special significance for northern Canadians.

Each proposed amendment deserves our careful attention certainly. But in dealing with specific clauses and provisions we may run the risk of losing sight of the over-all thrust and objectives of the bill itself. For that reason, I would like to take this opportunity to give a somewhat broader focus to our deliberations and to correct certain persistent misconceptions.

As minister responsible for northern affairs, I am responsible for the political, economic and social development north of 60, for the over-all administration of northern resources and the co-ordination of federal activities in the two territories. Let me say categorically that nothing in Bill C-48 alters that responsibility in any way. It does, however, provide new opportunities for achieving northern objectives.

The bill will be administered jointly by my colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde) and myself, but according to our respective jurisdictions. We have worked together closely in the preparation of this legislation; our two departments are pooling their talents and resources with the creation of the Canada oil and gas lands administration to achieve a shared national objective.

I think it would be worth while to expand on some of the provisions of Bill C-48 to ensure that there is no confusion in anyone's mind as to the responsibilities of my colleague the Minister of Energy, Mines and Resources and myself.

Because of the misconception that continues to be reiterated I will refer to the bill. The interpretation of "minister" under the two acts covered by Bill C-48 identifies the separate jurisdiction of the minister of northern development relevant to Canada lands in the territories and in the offshore of Canada's Arctic coast. Let us make no mistake that the ultimate political accountability in terms of Parliament for this bill for north of 60 falls on the shoulders of the Minister of Indian Affairs and Northern Development.

Mr. Siddon: Why don't you come to committee more often?

Mr. Munro (Hamilton East): My colleague the Minister of Energy, Mines and Resources and I have agreed that the oil and gas management functions of our two departments will be pooled into the Canada oil and gas lands administration to be headed by an administrator who will be the designated official of the Minister of Energy, Mines and Resources and the minister of northern affairs, again relevant to each minister's respective jurisdiction as required by the bill.

The administrator will report to the deputy minister of energy, mines and resources and to the deputy minister of northern affairs, and at their direction will relate on policy matters to the assistant deputy minister of energy regarding energy policy and to the assistant deputy minister of northern affairs concerning northern policy. Northern policy includes energy policy north of 60.

A policy review committee including both assistant deputy ministers will provide policy guidelines and review all policy decisions of COGLA or the administrative body to ensure they are consistent with the requirements of energy policy and northern policy. The committee will be the instrument by which activities of the administrative body are integrated and harmonized with activities retained by both departments.

● (1540)

If I may reiterate, as Minister of Indian Affairs and Northern Development I am directly accountable for the following: first, environmental management and protection including responsibility for the environmental studies fund north of the line of administrative convenience defined in Schedule VI of the Canada oil and gas regulations; second, socioeconomic benefits for the people resident in the territories; third, negotiating strategies and agreement with territorial governments; and fourth, co-ordination of policy and over-all planning in relation to major resource development north of 60.

The management, then, of oil and gas rights in the Northwest Territories, the Yukon and adjacent continental margins is but one element of my over-all responsibility in the north, and when I say "my" I am referring to the Minister of Indian Affairs and Northern Development and any succeeding ministers.

I have also been assigned responsibility for safeguarding the northern environment, for social and constitutional development, and of course native land claims.

I do not know how political accountability to this Parliament for all those policies north of 60 could be more clear, as well as those of my colleague the Minister of Energy, Mines and Resources south of 60, and the bill quite clearly states that.

In carrying out these responsibilities I want to emphasize that we must strive to achieve balance in development; balance between renewable and non-renewable resource development, balance between the conventional wage employment activities and those that support the traditional native economy, balance between externally generated development and that from within, balance between using the land and resources and conserving them, and, last, balance between protecting the environment and developing the natural resources available to us.

Many members may be aware, particularly some members I see in this House—and perhaps they are very familiar with this—of a very recent and dramatic example of the kind of balance we have striven for and achieved as reflected in the government's decision respecting the Norman Wells oil field expansion and pipeline project this past summer. Of course, that was subject to a two-year delay in major construction. I say this decision is symbolic of the very thing I am talking about, the very mandate of this department as it was before C-48 and as it is to remain after C-48.

This decision was not arrived at lightly. In weighing the elements of the Norman Wells project the government asked the Federal Environmental Review Assessment Office, commonly referred to as FERAO, to consider not just the environmental factors but also the socioeconomic aspects of that project. The National Energy Board also studied the project, and both agencies held public hearings both north and south of 60 and reported positively, subject to specific terms and conditions.

I personally sought the views of northerners on this project through a series of public meetings held in Yellowknife and in the communities of the Mackenzie Valley last spring for this purpose, to achieve a governmental decision that could have balance between the local concerns and the industry's proposals, and reconciling those with the national interests. The decision on Norman Wells meets the criteria that I believe a northern resource project should meet.

Especially in view of the two-year delay, the pipeline project will be managed in a socially and environmentally acceptable manner, and at the same time it will provide enhanced job opportunities and economic benefits for northerners. I remind members as well that the decision to proceed with this project is subject to a delay in construction work toward meeting the concerns of the Dene and Metis regarding adequate time for negotiation of their land claim.

With respect to that project, by reconciling the interests of fulfilling that mandate the decision met with the approval, publicly declared at the time of the decision, of not only the territorial government and the Dene and Metis but, as to the resources, of the companies involved. This can be symbolic of what can be done to achieve a consensus on what on the surface would be conflicting interests, which have always been troublesome north of 60.

In this project and others, my department and I continue to meet our particular responsibilities to ensure that northerners benefit economically and socially from resource development in the north. With the co-operation of the territorial governments and the private sector, certain requirements have been laid down as a precondition for industry to undertake before commencing oil and gas activities. These conditions cover such areas as employment of northerners and protection of the environment.

To cite one notable example where this policy has produced very beneficial results indeed, I might refer to one development in the Beaufort Sea area. One company there has provided employment for 300 northerners and local economic benefits in the order of $30 million. This has been accomplished by suasion and the co-operation of the industry; but also the enactment of this particular bill will enable a melding of resource management objectives with the other vital northern policy objectives such as employment and local business development.

Considerable progress has also been recorded through measures aimed at protecting the environment in areas of oil and gas operations. Exploratory drilling, whether on land or offshore, for instance, must conform with specific preconditions set by my department. Environmental impact studies have been required before many such activities have been approved.

Under legislation currently before the House, a revolving fund of $15 million will be set up by assessment on industry to cover the cost of such studies, to be conducted under the direction of my department. Complementary to the requirements of the Arctic Water Pollution Prevention Act, evidence of financial responsibility as well as the assumption of unlimited liability for damages will be required from industry for its offshore operations.

I cannot list here all the programs and initiatives related to oil and gas activities which have been undertaken in recent years. They deal with other considerations such as supplies to northerners of locally produced petroleum products, licensing policies, exploration agreements, technical developments and so on. But I think it should be clear to all members that even without Bill C-48 the government has had the interest and welfare of northerners clearly in mind in developing resource policies over the past two decades. That is a priority which will definitely, in my view, be strengthened by this proposed legislation.

In determining our strategies and directions we have counted heavily on the input of the northerners themselves. The extent of their participation is sometimes overlooked. It has ranged from frequent consultation on land use permits and socioeconomic plans to major discussions involved in the environmental impact assessment processes, and regional planning projects such as the Lancaster Sound study.

Nowhere is the contribution of northerners more evident nor, indeed, more appreciated than in the eight amendments to the bill accepted by the government in response to proposals introduced by the Inuit committee on national issues.

Briefly I should like to touch on at least some of these amendments which have so notably improved the bill itself. It was through the efforts of the Inuit committee that a key passage on aboriginal rights, Sections 5 to 7, was amended to read, and I quote:

> Nothing in this act abrogates or derogates from any aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this act.

● (1550)

This was the clause that satisfied so many of the Inuit who had previously expressed concern about the implications of the bill.

Another Inuit amendment provided that an exploration agreement "may require equity participation by government and Canadians," including any aboriginal peoples who may be affected. That also was a significant improvement in terms of opening up the potential for joint ventures in the resource field.

Again, the Inuit committee suggested that an exploration agreement "may require training and employment opportunities" for disadvantaged individuals or groups. I hardly think there would be any opposition to that particular amendment. I regard the development of the north as fundamental to the future of the north. I regard, then, the development of human resources in the north as fundamental to the future of the north.

A great many northerners have also voiced their concerns during meetings with me personally and in countless letters. I submit that the government has moved ahead with this legislation fully aware of northern rights. Personally, I would like to express my appreciation to the many people who have devoted so much time and effort in producing what I am convinced will be an effective piece of legislation.

For the skeptics who still see something sinister in this legislation, I would like to deal briefly with a few of the more persistent allegations. First, Bill C-48 does not prejudice decisions respecting native land claims. The notion that it seeks to remove oil and gas rights from the claim settlement process is simply incorrect. I reiterate, Section 5(7) affirms that nothing in this bill interferes with existing aboriginal rights. I stress that Clause 61, respecting the replacement of oil and gas licences and rights, refers only to mineral rights held under former legislation and will not prejudice native claims.

If there are those who still doubt the government's good faith with respect to land claim negotiations, let them cast an eye on the recent decisions not only on Norman Wells but the Petro-Canada exploration agreement. Construction of the pipeline extension and exploration activities were delayed for two years in those instances to allow for issues related to land claims to be resolved through negotiation.

An hon. Member: A slow death.

Mr. Munro (Hamilton East): The issue of resource revenue sharing which we have heard so much about in this debate and ownership of resources in the continental offshore and elsewhere in the northern territories are simply not addressed in this bill. Those questions can be addressed subsequently in other policies of the government and in other legislation.

An hon. Member: Change the working of the bill then.

Mr. Munro (Hamilton East): As I have indicated, the bill does not change my responsibility for the protection of the northern environment. Indeed, it specifically assigns to me the duty to balance the need for resource development with the need to protect our northern environment while facilitating broadly-based economic development in the north.

It can be said, Mr. Speaker, that Bill C-48 will provide further means to achieve the objectives of the National Energy Program in the north and elsewhere. It was almost exactly a year ago that that program was introduced. At that time one of its goals was described as follows:

> The people of the North should have more say in the decisions affecting resource development. They should enjoy more of the benefits, and bear fewer of the costs of northern resource activity. They must be assured that their interests will be protected, and that they have the opportunity to play a meaningful role in these activities.

Again, I would only remind hon. members of what happened with respect to the decision on Norman Wells to show that that can and will be achieved. That was how the government saw the situation a year ago. That is how we continue to see it today.

As I indicated earlier, we have a commitment to serve Canada's national interests and, in so doing, to make it possible for northern Canadians to contribute more meaningfully to that end.

In conclusion, Mr. Speaker, I think all of us in this House have regarded the north as extremely important to Canada's future. We see it in resource development. We see it in emerging technology; we see it in the growing self-confidence of the resource developers and, most important, of the northern people themselves. We see it in a new awareness of what the north means to Canada.

Now is the time for decision and action. To realize these opportunities we should act, I agree prudently, but promptly. Bill C-48, in my view, is an important step in the right direction. I urge its support by all members in this House.

Mr. Nielsen: On a point of order, Mr. Speaker. Before the minister resumes his seat perhaps he would permit a question.

The Acting Speaker (Mr. Ethier): This could be done with unanimous consent. The hon. minister has taken exactly his allotted time. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Nielsen: The minister referred to some very worth-while objectives, including northerners having more say in the development of their resources. I assume he would extend those remarks to the protection of their environment as well.

The Yukon Legislative Assembly, 16 elected members, without dissent recommended to the minister that a certain person be appointed chairman of the water board. The minister disregarded that recommendation and appointed someone else who then resigned. Is it now the minister's intention, in keeping with his very laudable, expressed intention to allow northerners more say in the protection of their resources and environment, to accept the recommendations of the 16 elected members of the Yukon Legislative Assembly made to him without a dissenting voice by all three political parties?

Mr. Munro (Hamilton East): Without agreeing precisely, I would point out that there is a law in place. In that context, the hon. member for Yukon (Mr. Nielsen) will recall that I

agreed, on assumption of this portfolio, with the devolution of political responsibility, if you like, of the Yukon government which my predecessor, with the hon. member's acquiescence and encouragement no doubt, set out in a letter to the Commissioner at that time. I take it we see eye to eye on that. In that context, we are fully aware of what the law is with respect to the particular board the hon. member is talking about. There were three members to be recommended by the Assembly, there were three members to be appointed from the technical people—the department—and three were to be appointed by the federal government.

Mr. Nielsen: What about the chairman?

Mr. Munro (Hamilton East): We had the responsibility for the chairmanship. It was clearly set out in the legislation. We followed that law. If the hon. member has some objection to that law I have not heard of it up to now. He can legitimately recommend that it be changed. In the meantime, I advised well in advance the Leader of the Government at that time that as minister I would choose to follow the law and make recommendations as to the three. He was made well aware of it well in advance. He should not have been taken by surprise that the government of the day would follow the law and make the recommendations it is accountable for. The legislation makes us accountable. We are accountable for our appointees.

• (1600)

What happened in this particular case was that the territorial government of Yukon made its appointments. It chose to exercise its desire, and also its right, to appoint our appointments, for which we are responsible. In so doing it recommended the hon. member's campaign manager, as I recall. I wondered whether that particular person might be responsive to the government in terms of interpreting what we clearly perceive is our responsibility under the legislation. We exercise our true responsibility by making our own appointments, as indeed we should, until such time as the law is changed.

Mr. Fulton: Mr. Speaker, I trust that my question to the minister will receive as lengthy but perhaps a more pointed response. On June 1 I asked a question of the minister regarding a section to which he has referred, Section 5(7), regarding aboriginal rights, particularly north of 60, and I asked for a legal opinion. On that date he said, "Yes, I can give a legal opinion". However, on September 2 the minister wrote to me and said, and I quote:

> This is in reply to your letter of June 3, following the June 1 meeting of the National Resources and Public Works Committee.
>
> Further to my commitment to endeavour to obtain a legal opinion for the committee concerning the impact of Bill C-48 on land claims and aboriginal rights, I regret that I will be unable to meet your request—

I wonder if the minister could inform all hon. members, because I think it is one of the crucial questions not only north of 60 but also on the west coast and in the maritimes, what the impact of Bill C-48 will be on aboriginal rights and on native claims. Certainly we have heard a wide variety of opinions, and I wonder if the minister could tell this House why he was unable, after promising the committee—with native people present—to get a legal opinion on that.

Second—a very small point—could the minister tell us whether he supports the seven environmental amendments presently being debated in the House?

Mr. Munro (Hamilton East): Mr. Speaker, I do not know whether we are arguing about semantics or technicalities. When I mentioned a legal opinion and when I made that statement, I meant that I would obtain a view in writing based on a legal opinion I would receive as to what the situation was. I got that letter out, for which I personally accept the responsibility. I take it the hon. member would accept the fact that I would seek a legal opinion before giving my view as expressed in a letter which, indeed, I delivered. I made that quite clear in meetings that I had with territorial officials and the Dene people who were in my office. I am not sure whether members of the New Democratic Party were at that particular meeting, but I made that quite clear at that time. The views I expressed then with respect to this would not prejudice land claims—nor would my remarks in the House today—and are quite clearly founded on legal views I have obtained. I take the responsibility for giving them in this House. I have expressed my own view in letters and in my speech today.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to rise in the House after a summer recess to address an environmental issue—I think that is the issue before us—not as an issue which represents the entirety of Bill C-48 but simply one subset in a set of six or seven amendments which have been proposed.

The environment is a topic about which I think it is generally quite difficult to get Canadians excited. Most Canadians in the present economic climate—and I think justifiably so—should be concerned about their capacity to hold on to their houses in the face of high interest rates or to their jobs in the face of increasing unemployment, which is a consequence of bad economic policies. Those issues are here and now issues because they represent our capacity to stay warm and cosy in the winter months and to have the sort of food which gives us and our families the kind of health we have come to expect in this country. However, environmental issues over the longer term are the sleeper issues. It is the destruction of the environment which will cause difficulty for all of us over the longer term.

As we approach something like Bill C-48 and the development of some of our energy resources in parts of Canada which are remote from our major cities, it behooves everyone in this chamber to do what he or she can to raise a degree of public consciousness about the importance for all of us of environmental issues over time. Perhaps in that context we should be a little more alert today than might be necessary in the future or might have been necessary in the past because it is my conviction that one of the tragedies of the present situation in Canada is that we have a government which has remained reasonably consistent since 1968, with one nine-

month exception. Therefore, we have a track record which we can look at, identify and project into the future.

There are many characteristics of the track record of the present government, but the one which I think must concern us in relation to environmental issues is this government's demonstrated record of caring not so much about what is good for Canadians but more about what is politically saleable at the moment, and the consequences for the future of this nation of that political saleability be darned.

If we look back to 1968 and track the decisions which have been made, we will find that characteristic. We find it as a consequence of some rather consistent attitudes. Whether we deal with social policy, in the way I have in the last 16 or 17 months as the employment critic for our party, or with other portfolios, such as the one I now hold respecting health and welfare, we find a rather consistent attitude on the part of the government in total, and some ministers more specifically than others, which ignores local advice.

If we look at this legislation and its clauses which deal with the environment, where do we find clauses which require a minister of the Crown, who resides a good part of each day and each week in the city of Ottawa, in the province of Ontario, at least to be the recipient of local input? Where do we find in this proposed legislation any clause or phrase which provides for a substantial degree of local control? We are dealing with a piece of Canadian geography which is large, which is different from one part of it to another and which is not well understood by those of us born and raised in the southern part of this country, and I think that includes most of us.

During the brief exchange between the hon. member for Yukon (Mr. Nielsen), a member on our side of the House, and the Minister of Indian Affairs and Northern Development (Mr. Munro), I heard the words "clear water," and that reminded me of an experience I had 13 or 14 years ago when I drove from Window Rock, Arizona some considerable distance to a place called Toyee. I arrived on the scene at Toyee, Arizona to discover what looked like a small-sized town. This town contained a school which was a bureau of Indian affairs school. As I drove into the town I saw many houses, dormitory buildings and classrooms. The outstanding characteristic of Toyee which first occurred to me when I arrived was the fact that about two-thirds of the houses, dormitories and classrooms were boarded up.

● (1610)

You ask yourself why. They look relatively new. They are not old-fashioned buildings that have been around a long time and lost their usefulness. They looked recently constructed, yet they are boarded up. As you encounter the local people, the people who live in Toyee, and ask them why these buildings are boarded up, they tell you the English translation of the Navajo word "Toyee', is "place of no water". The local people understood their environment. They understood that fresh water in Toyee, Arizona, was in short supply.

In Washington, D.C., in the United States of America, the bureaucrats, the minister responsible, in their wisdom built a community designed to handle about 1,500 people. The environment, the clean water, despite modern technology, could support but 500 people. Therefore, we have accommodation and classrooms for 1,000 people boarded up because the minister and the bureaucrats were not required and did not have the wisdom to consult with the local people before they built the school.

That is the aspect of Bill C-48 which clearly disturbs me as I attempt to read it and comprehend its implications. Before joining the House of Commons, I worked in a university. I have tremendous respect for the skills and knowledge of many of my colleagues in that setting. But regardless of their discipline, they too are captives of their background and experience. However broad and however deep those experiences are for us, they are always limited.

I suggest to the Minister of Indian Affairs and Northern Development that he is the captive of his experiences. The Minister of Energy, Mines and Resources (Mr. Lalonde) is also the captive of his experiences. The issue of northern development will affect the lives of all Canadians and most clearly the lives of those who live in that region of our great country. In proposing legislation that governs that region of our country, or any region of our country, with respect to those clauses and phrases which concern a minister or those who follow him, one should always consult with the local people if dealing with a sparsely populated region of this country where few of us have any direct experience or any direct personal, long-term investment.

The Minister of Indian Affairs and Northern Development stood in this House a few moments ago and said that the control of the environmental impact study responsibility and the funds allocated would reside in the Minister of Energy, Mines and Resources south of 60 and in the Minister of Indian and Northern Development north of 60. There was a certain sense of pride as the minister implied he would take those responsibilities seriously.

I have a thought which comes out of my personal knowledge: fresh water flows back and forth across that parallel; air travels back and forth across that parallel. I have sat in the House long enough to know there are conflicts among ministers. All is not sweetness and light on every occasion. I wonder what there is about that region of our country as we approach the 60th parallel that leads us to believe, when it comes to an environmental issue, that it makes a modicum of sense to appoint one minister responsible for air and clean water north of 60 and a different minister responsible for air and clean water south of 60. Would any rational human being reach the conclusion that that kind of structure is the proper kind of structure? I hear my colleague say that we are not talking about rational human beings. If we look at the behaviour of these human beings, I guess it is an easy conclusion to reach. Their behaviour in putting the bill before us indicates they have not acted in a rational manner; therefore, one may conclude they are not rational.

We shall go one step further. The Minister of Energy, Mines and Resources and his successor will be faced with dilemmas. There will be pressures on the part of Canadian people, in any kind of energy crunch, to move forward and produce the oil or the energy we need. If the Minister of Energy, Mines and Resources proceeds in that fashion, and if in fact we are in any kind of crisis, then the pressure will be tremendous.

In those circumstances, in view of the political heat which can be generated in this House and the pressure which can be brought to bear on ministers by grass roots organizations, will that minister have, as his or her number one priority, the intention to protect our environment, or will he or she be more likely to proceed and to say "To heck with the environment; we are going to produce the oil". I suggest that nine times out of ten the minister will say "Produce the oil and to heck with the environment."

That is why I think the amendment which would make the Minister of the Environment (Mr. Roberts) responsible for environmental issues, whether they occur north of 60 or south of 60, is one which members of this House must support. If we reach beyond this House to people who may be watching the proceedings this afternoon, may we say to them that they have a responsibility to get in touch with a minister of the Crown, or with the Prime Minister, and express their concerns about a piece of legislation which has environmental provisions in it that will clearly be forgotten, subverted, or ignored? This piece of legislation is the responsibility of the Minister of Energy, Mines and Resources or the Minister of Indian Affairs and Northern Development. Their greater responsibility to the people of Canada lies in the direction of production and development. They are not the watchdogs of our environment. They do not have the background and they will not have the primary mandate which would allow them to do the kind of job Canadians have a right to expect from their government.

• (1620)

As I said in the beginning, environmental issues are generally not the most compelling issues for Canadians on a day-to-day basis. If we pollute our fresh water supplies and continue to pollute our air, the long-term consequences for all of us are horrible to contemplate. In an age such as the one we are now in, with the complexity of our industrial growth and development, surely we in the House of Commons can fund and mandate a ministry with the sole major preoccupation of protecting the environment. When we create an environmental ministry to protect us over the longer term, surely we should look at every piece of legislation which involves the environment and has provisions related to the environment. We should say absolutely that the responsibility for enforcement and for allocating the necessary dollars to conduct the studies to protect us should reside in that one department of government with a total mandate and advocacy stance within cabinet and the House dedicated to the long-term protection of the health of Canadians through environmental protection.

It is inconceivable to me that party discipline and party loyalty could ever be called upon in the House to back a provision in a bill which has such long-range potentially negative consequences for the health and well-being of Canadians. There are times, places and issues which should take us beyond the hurly-burly of daily politics, beyond the rigidity of party power. In that category of events is the issue of the environment. In its simplest terms, it is clean air and clean water and their protection over time.

There are other problems. There is a general lack of clarity from time to time. I see my time has run out, but in conclusion I say that all of us in the chamber have a responsibility, in terms of this piece of legislation, to back the proposed amendments which would protect us in the future.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is with a great deal of pleasure that I speak on this particular piece of legislation and the environmental resolutions before us. It is important to recognize that this is not a good piece of legislation. People have said that it is immoral in terms of its orientation toward the rip-off of resources. People have said that it allows too much discretion on the part of the minister and that it sets up conflicts of interest between development for Indian people and environmental issues. By and large, all of this is true. There has been a reluctance to place in the legislation guidelines under which we would like to see oil and gas developed. The entire bill is extremely vague. It does not provide any security for Canadians as a whole, particularly native people. Indeed it will create some very questionable situations in terms of the environment.

I am pleased to see a former minister of Indian affairs in the House. I should like to address some of the specific predicaments this legislation will create for the native people and communities in an area defined by the government as Canada lands, the area off the coast of British Columbia.

It just so happens that a very determined and active band council from the community of Waglisla on the coast of British Columbia about 300 miles north of Vancouver is in Ottawa for today and next week. They are very concerned about Bill C-48. I hope some of the recommendations in my speech which have also been put forward by the hon. member for Skeena (Mr. Fulton) will be adopted by the government and acted upon.

I am sorry that the Minister of Indian Affairs and Northern Development (Mr. Munro) is not able to be here. I listened with a great deal of attention to his presentation. I was under the impression he was to be in Toronto today and not in the House. The band which is here presently has been trying repeatedly to meet with the minister. Hopefully in the next day or two that meeting will be forthcoming. It is very difficult for people in the north or in the far west of this country to plan adequately and to follow up on commitments if they cannot meet with ministers and officials to discuss their plans and obtain basic information on how such legislation will affect them. We are asking those communities to bear all the risks. They will take all the risks while the oil companies of the urbanized areas of central Canada will move in, rip-off the resource and leave.

I should like to run through some of the areas which will be affected by this bill. There is the community of Bella Bella and the band council which is in Ottawa today. Also there is Bella Coola, which is an interesting place. It is where Alexander Mackenzie, the first Canadian to cross the country, landed. As a matter of fact, the ancestors of the present band were there to meet him. The attention of the government has not really developed beyond the attention which was given to it by Alexander Mackenzie. The only level of development in that community is the struggle of those people in planning.

Another native community in my riding is at Gold River, the Mowachaht band. They have a small settlement at Friendly Cove and another one at Tahsis. One of the individuals there, an Ambrose Maquinna, happens to be a direct descendant of the Maquinna who met Captain Cook at Friendly Cove several hundred years ago. He is also a hereditary chief of the group. That was the beginning of the bad times, and it has become worse under the Liberals. Let us cook the Liberals.

There is Klemtu, a community in which the government allowed the shutting down of a cannery. It meant instant unemployment for the whole native community. For two decades the community has been struggling to get rolling again. Government bureaucrats travel in and out of that community on chartered aircraft; there is no problem. But the people who live in Klemtu and want to go to the hospital must pay $233 for a charter flight to go 35 miles in order to connect with a flight to Vancouver. Their children were unable to come home from school one particular Christmas because the British Columbia government refused to put in a ferry. That is the responsibility of the federal government. It contributed $9 million to improve coastal transportation and told British Columbia to go it alone. We are not imposing any criteria, and the people of Klemtu suffer. They pay anywhere from three times to ten times the price we pay for food in stores, if they can get it and if it is in a fit condition to eat. Percy Star, the chief of Klemtu, has been struggling for years. They were supplied with electricity a little while ago. They have been working on that project since 1923.

● (1630)

The Kitasoo band has been struggling against a government that does not really care and does not really know where they live.

Oweekano is another beautiful example. In the community of Oweekano the electrical plant broke down and it was without electricity for eight months. I should like to see what would happen if the city of Ottawa was without electricity for eight months. Perhaps the hon. member for Ottawa Centre (Mr. Evans) could make the government move faster to fulfil its responsibilities. At the present time the generators in Oweekano are ready to break down again and still there is no help from the government. The community wrote to the Minister of Indian Affairs and Northern Development but did not receive any acknowledgement of its correspondence. The government has cancelled a memorandum of agreement and its financial contract with this community.

The Tsulquate is another major example of government neglect. One could ask members in every row of the government benches and not find one person who knows where Tsulquate is or the conditions in which the people there live. Yet the councils and the people of these communities are dedicated and are pushing ahead, but without resources.

The Fort Rupert is an advanced band which lives in an ideal location. The band is making progress but certainly not as much as it would like to and could. If the Department of Indian Affairs and Northern Development and the government would assist it instead of handicapping it, it would make tremendous progress.

In Queen's Cove and Nuchatlitz, which is the home of the Ehattesaht band, the same thing is happening. When the last round of oil drilling occurred on the west coast of Vancouver Island, there was virtually a blowout off Tofino. If we should get a blowout there, it is not the people of Ottawa or of central Canada or Vancouver who will suffer the consequences, it is the Ehattesaht band, the communities of Nuchatlitz and Queen's Cove that will be covered in oil.

This group of people is experiencing tremendous problems with development. Unemployment ranges from 70 per cent in good times to 100 per cent in off seasons. Most of the communities have enormous unemployment. The government does not even know that they exist. The organization set up by the government confounds development, thwarts planning, withholds resources and unnecessarily complicates their lives. They have never had a land claim settlement. That is their hereditary land. Cook and Mackenzie came along and brought the civilization of the white man which only made things worse. By and large, through this legislation I think we have to begin to orient our thinking to the plight of the native communities.

Today their representatives come here for information. They would like to know what is going on and how they might be invited to participate. They have questions about how their land claims will be dealt with. This is an extremely important question because the people who will benefit from the development will be those in the oil companies and the urbanized areas of Canada. If we should get a blowout off the Queen Charlotte Sound like the Ixtoc blowout, Owikeno Lake would fill with oil and on the whole coast of British Columbia—the marine culture and fishing industry would be destroyed. The total burden of the risk would fall heavily on these communities.

In terms of environmental enhancement, social enhancement and the benefits of economic participation, I suggest the government should insist that oil companies working in the area and the Department of Energy, Mines and Resources begin a dialogue with the people and give them information about what will happen. They should also make funds available so that the people can hire the necessary consultants and experts and then plan for and participate in whatever opportunities become available.

I would also urge that the government move forward with the land claim issue so that the people can participate in this

matter and share in the resources. The Minister of Indian Affairs and Northern Development and other ministers have told us what a great bill of goods this bill is and I am sure they would want the Indian people from the west coast of British Columbia and, indeed, all Indian people to share in those resources and not be ripped off and forgotten.

There are other communities on northern Vancouver Island that are affected, such as Port Hardy, Port Alice on the west coast, Port McNeill, Alert Bay and Sointula. These communities have been isolated for years. They are basically single industry towns where the men work in the community but young people have nothing to do. For years they have been deprived of the social amenities available in large urban areas. Many people say that if they do not like it they should go back there. But, Mr. Speaker, these communities supply the raw materials which give other people in this country jobs in manufacturing industries and provide the social amenities they enjoy. Yet these are the people who are forgotten, although it would not take much effort to go to them and see what faces them.

All of a sudden, there are indications of interest. You can see the sharks moving in the pool already. They know that there will be action so the speculators and promoters are trying to take up options and nail down the opportunity to make money. They are interested in land development and are slightly ahead of the local planning efforts in the communities. As a result, the cream is skimmed off and hauled away. The same thing has happened in Norway, Scotland and to some degree in Newfoundland where governments have been late with the basic planning.

If this legislation is to pass, I urge the government to inform the communities about what will happen to them, and to provide funding so that the communities can hire consultants and expert planners to assist them. This is necessary so that communities are not ripped off and high-graded by the professional speculators in this country and in the United States who derive enormous wealth from taking advantage of the small communities that do not have access to funding and expert planning.

By the time they become aware of what will happen in their area, there is not much they can do. The plans have been made and the local people left out, although it is they who will ultimately bear the expense of development. Perhaps the Department of Energy, Mines and Resources could send people into the communities to tell the local councils, the regional boards and the band councils what is going on. They could indicate whether they would be able to participate in the planning.

In my area there are 15 municipalities, five regional boards and 17 native communities that do not know whether they will even be given information or whether they can participate. The federal government should make money available to those communities so that they can begin taking part in planning now. There seems to be about a two-year lead time. That is a godsend because it gives time for adequate planning. If the communities are aware of the effect this legislation may have on them, then they will have time to make plans and prevent the bad experiences which have occurred in other areas from occurring here.

I urge the government to make that information available to the people involved. Funds should also be made available. Compared to the tremendous royalties that the government will rake in, the funds required for planning would be but a drop in the bucket and would be of tremendous help to the communities.

In talking about development on the west coast of British Columbia, I should like to take up my favourite topic, the coastguard. I see a colleague opposite from the committee grinning. I suppose he is wondering what the coastguard has to do with exploration for oil and gas in British Columbia. I would ask him to cast his mind back to the Ixtoc incident when it took nine months to cap the oil leak into the Gulf of Mexico. That area does not have the handicaps of the west coast such as terrible weather, reefs, islands, fog and, generally, difficult marine and air navigation. The coastguard would be a tremendous help in that area. I have checked with the coastguard and apparently there is nothing in their five-year plan which deals with offshore drilling on the central coast of British Columbia. There is no vessel traffic management system for the central coast so that ships will not pile into each other or run aground as they did in Alert Bay and other places. Numerous vessels have gone down but no search and rescue unit is available.

● (1640)

Referring to the communications system, let me just use this little example. There is a little native community on the west coast called Kyuquot. I forgot about that in my rundown. All the fishermen are exposed to the areas which could blow out. There is a weather system there. The fishermen leave at four in the morning to go fishing; they listen to the weather forecast the night before, if that is all they can get over the transcribed broadcasts, which states that the winds are light and variable and that all is well. They sail out at about 4.30 in the morning; and when they are out about 20 or 30 miles, all of a sudden it is blowing 70, out in the open Pacific. The next stop from Kyoquot is Japan. It is a really interesting time.

A couple of towing companies just recently lost barges there. They were getting their weather forecasts from the night before, which were the only forecasts available on the transcribed broadcasts. They got out there, the winds were blowing very strongly and they lost their barges which were full of goods. I wonder that the insurance companies do not sue the Government of Canada for failing to provide adequate weather forecasts. The Government of Canada cancelled the weather ships. We need good forecasting there. However, at least as far as I can understand, the coastguard is asleep at the switch. We need vessel traffic management and search and rescue facilities there. We need environmental protection against an oil spill close to the Port Hardy area or the central coast area so that if drilling goes badly and if, in fact, a decision is made to accept those risks, at least we can move quickly, capitalizing

on the experience of others, to protect that very delicate and very difficult area.

Navigation in that area is always a hazard, especially in winter. I hate to travel in that part of the country. I literally fear for my life in the wintertime, and experience shows that that is probably a legitimate fear. Yet these people want to go and drill for oil and gas in an earthquake zone. The last time we had a severe accident out there, it took ten days to find six people who went down in a Beaver. That falls pretty well squarely on the government. The government would have found them in one and one half hours if there had been a functioning ELT on the aircraft, and that strikes very close to home.

We need that coastguard attention to that area. We need development in that area for the protection of the people who live there. This government has an obligation to provide some protection against the tremendous risks that it is asking the residents of that area to bear. It has an obligation to tell them what is happening. It has an obligation to put forward funds. The province of British Columbia and the Government of Canada should be putting up funds so that those communities can develop effective community plans so that they are not ripped off by the class of speculators who are already in those communities, buying up land and promoting opportunities which will enhance themselves rather than the community. I think it is vitally important that some very serious attention be paid to that matter.

I see that the Speaker is giving me the eye.

An hon. Member: The evil eye.

Mr. Skelly: The evil eye. I appreciate his tolerance. Certainly, these are vitally important aspects for the people who live on the central coast and the northern Vancouver Island area of British Columbia. That assistance is vitally important. I call the attention of the government to that and hope that it will respond in a positive and effective fashion. I hope its ministers will be able to meet with people from that area to discuss the problems they face, and perhaps some solutions toward making it a better place to live, which would resolve so many of the problems.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—VIA Rail—Request that Minister reconsider decision on future of passenger services; the hon. member for Peterborough (Mr. Domm)—VIA Rail—Cancellation of passenger services; and the hon. member for South West Nova (Miss Campbell)—Fisheries—State of industry in southern Nova Scotia.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 4 (Mr. Fulton), 34 (Mr. Ittinuar), 51 (Mr. Fulton), 52 (Mr. Ittinuar), 53 (Mr. Ittinuar), 55 (Mr. Lalonde), 56 (Mr. Fulton) and 57 (Mr. Fulton).

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am speaking today about Bill C-48, which is an incredibly complex bill. There are virtually hundreds of sections and subsections, when they are all added together, which will affect huge areas of land on the west coast, in the north and in the east. The bill has gone through first and second reading. It went into committee, where virtually dozens of witnesses appeared. Hon. members on all sides of the House spent a great deal of time considering the various powers and authorities, and conflicts of interest which arose, and have now proposed a number of amendments. Right now we are debating some seven amendments dealing with the environment.

I think the important thing to recognize is that none of the amendments to this bill and motions for amendment which are now before the House is spurious or anything like that, whether put forward by the official opposition or the NDP. These are amendments about which people have talked for many hours, and regarding which we have heard the evidence. We have heard from the experts who came from all across the country and from all of the various interest groups, and they have proposed a series of amendments which are now before the House.

My first point is that it is a major disappointment to me that the government does not accept more of these amendments which, as I say, are reasonable in every respect. I would urge the government to accept them and I do not know why it would not. It is a bit similar to the constitutional committee, where virtually dozens of amendments put forth were perfectly good amendments and would have improved that bill for the people of Canada; yet the government accepted only its own amendments from its own members. A couple of amendments from our side and maybe one or two from the NDP were accepted, more by way of tokenism than as a real acceptance of amendments which would have improved the bill.

I do not believe these amendments to Bill C-48 will hurt Liberals in their personal capacity or as a government, and they certainly will not hurt Canadians; indeed, it would add to the strength of the bill. We are dealing with spills in the environment, in a very unique part of Canada which receives very little rainfall or moisture in any sense, a large part of which is perpetually frozen year round. If there is a spill which puts oil under that ice cap, nobody knows what will happen. Pollution is pollution. It is bad enough here, but it is ten times worse when it is in a northern, very fragile ecological chain.

People are just now beginning to realize the complexity and interconnection of our biological unit in relation to the life of this planet. Any of us who have seen photographs from space and have heard from scientists who have examined them realize how small is this envelope of atmosphere, or troposhere as we call it, around this world. We realize how incredibly sensitive and interconnected it is. Thor Heyerdahl could come across the ocean and find that the bulk of it is covered with oil slicks which are interfering with plankton, plankton being incredibly valuable to the production of oxygen; indeed, the CO_2 level in our atmosphere has measurably increased over the last 50 years, creating a hothouse effect. The world could become hotter and hotter, ending up like Venus, and we could all be destroyed. So it is a very complex and fragile chain, and if there is a failure, it will be too late. When we get beyond the position of recall, there is no turning back. Mankind, with all of its pseudosophistication and so-called scientific understanding, will find itself going the way of the dinosaurs if we get mother nature going down the wrong trail.

There is no doubt that Bill C-48 will funnel hundreds of billions of dollars into the hands of the government over the next few years, and that very little of that money will be returned or set aside for environmental matters. Surely that should be a matter of concern to all of us. For the life of me, I do not see why the government would not accept the amendment which deals particularly with the environmental compensation fund. When the fish are belly up in the rivers, it will be too late. When the polar bears are gone we will have lost a resource which is just incredibly valuable to us, both in terms of the balance of nature as it affects seals in the northern part or the fishing environment, and also the aesthetics of our world, when we will only be able to see polar bears in a zoo. We know that a pollution test totally killed a polar bear. Therefore, we cannot afford to have a situation where we make a mistake and then try to correct it, because the bears will be gone.

However, I have heard several speeches in the House alluding to the fact that pollution is not a function of multinational corporations which happen to be owned by individuals who hold shares. Pollution is every bit as much a function of corporations which are owned by the state; therefore, Petro-Canada will be no better in the north than any other corporation when it comes to pollution.

• (1650)

A prime example of that was the Pemex Corporation in Mexico. It took over from the multinationals. It does all of the drilling in Mexico as well as in the Gulf of Mexico. A blowout occurred in the Gulf of Mexico which I understand was the worst blowout experienced by the oil industry throughout the world. The entire Gulf faced extinction. There were those who asked why there were no regulations. But why would there be regulations, because the state-owned oil company, the only body authorized to drill, was drilling? Why would a state company have to be controlled by another arm of the state? Why would a state-owned company breach regulations? After all, Pemex is responsible to the citizens of Mexico. That is what happened, and I fear may come to pass here with the proposal before us, particularly in view of the increasing power and position of Petro-Canada.

We know already from Petro-Canada that its officials helped draft the budget last year, which gave it all sorts of preferential treatment compared to other corporations in which Canadian citizens own shares. We know officials of Petro-Canada are in the employ of the Minister of Energy, Mines and Resources (Mr. Lalonde). They are put in an impossible situation, and a conflict of interest arises that becomes irreconcilable. We are not saying this to be unkind to people. We say that human beings learn as a result of the common experience that a conflict of interest is impossible to deal with, whether with Liberals in government, Conservatives in government or the New Democratic Party in government. It goes beyond party politics. But surely we can learn from the common experience of having been through it before.

Pemex is a prime example of how state ownership will not help us one bit in this business. Our safety record with respect to people working in the oil industry in western Canada is pretty good. However, even at that, about 20 to 30 people die each year in accidents. We know too that in countries where there is state ownership and state safety regulations, the death rate is much higher. Russia, I suppose, is a classic example of state ownership. I have seen their statistics. Even in Britain where many industries have been nationalized, the death rate from accidents is much higher there than here. It comes back to the same thing, that government cannot be a participant and at the same time a regulator. Some of us believe that government should be restricted to regulating and that regulations should be as stiff as they have to be in terms of safety, hours of work, control on investment, on the environment and so on. Immediately a government is a participant we head for trouble.

Bill C-48 as a whole clearly has another major defect. This defect can only be understood by those who come from the far west, the north or the east. Bill C-48 puts control into the hands of a group of people, the bureaucracy, in the centre of this country. Those people will be making decisions affecting the west coast, which is 4,000 kilometres away from where the decisions are being made.

The same situation exists as far as decisions affecting those in the north are concerned and those living on the east coast. It

smacks of retaining colonial status, which I believe is unacceptable to the west. Fortunately, in Alberta we have control over our resources but it took a huge battle to win that control. A provincial Liberal government fought from 1905 to 1921 for the resources but failed. It took the United Farmers Association who fought from 1921 to 1930 to secure resource control. So for 25 years the people of Alberta, while residents of a province, did not have control over their resources. Those resources were controlled by Ottawa. It was only when that control got into the hands of the provincial politicians, who were closer to the people, that decisions on development were made protecting not only the investment climate but the environment as well.

I believe that is exactly the case with the north. People making the decisions concerning the environment, the rate of development and where lines should go, should not be a distant group of people in Ottawa, however well intentioned they may be. There is no doubt that our civil servants are highly trained and skilled, but by virtue of being in this fairyland, on the hill in Ottawa, they have no idea how people actually live and work out in the field. I believe people out in the field can make far better decisions. We will still have oil development, there is no doubt about that because they want it. But when the native and Inuit communities come up with a package giving a rate of development that will be in their best interests as well as everyone else's, surely the focus of that decision should be with them and not on a distant Ottawa.

One thing westerners have learned over 75 years is that decisions to be made will be made on a political basis. The Minister of Indian Affairs and Northern Development (Mr. Munro) said that he and the Minister of Energy, Mines and Resources can work together, that they will work together and that they have created a committee, presumably of experts, who will make decisions. However, if there is a dispute between the two departments, who will solve that dispute? In other words, which ministry will make the decision? Depending upon which department makes the decision, what will the basis of that decision be? From where I stand, coming from the west, there is no doubt that the politics of the situation will rule. In other words, the people of southern Canada, who elect more members into this House, will make a decision in their best interests rather than in the interests of the three or four members of Parliament who represent the north.

Why would the courts not be authorized to make that decision? Better yet, why would the government not have an independent ombudsman who could make those decisions? Decisions would then be made out in the open after a hearing rather than being made behind the closed doors of the government in power, whichever government that may be.

I was amazed when I looked at the bill to see that there was no statutory authority at all for the creation of a committee to make these types of decisions. What is the authority for this committee that has been set up? It will clearly add a bureaucracy which will in turn add enormous cost and create an enormous time delay.

Mr. Munro (Esquimalt-Saanich): It would be by convention.

Mr. Thacker: My colleague said it would be by convention. I am not all that impressed with the government's upholding of convention.

A major point of conflict will be between the Minister of Energy, Mines and Resources who, under this bill, has far too much responsibility, and the environment minister. At the very least I would encourage the government to make it crystal clear that the final decision should be made by the Minister of the Environment (Mr. Roberts). In his day-to-day contacts with people across this country, he will be meeting citizens who care for the troposphere and the continuation of mankind beyond the next 25 years, certainly beyond the next election.

I would like to go through some of the sections that have been amended. Motion No. 4 is a good proposal. This motion would define spills. Surely to goodness when a government brings a bill before the people of the country setting up all sorts of serious offences, particularly if individuals are involved, a clear definition of its terms should be spelled out so that people and corporations can decide what is or is not a breach. We have no definition of what is a spill in this bill. One of the motions is to call that definition. Surely that is a motion that could be accepted. If there is no definition, the courts will ultimately decide and that involves an enormous time delay and enormous cost. As different types of spills occur, reference will have to be made to the courts again and again.

Motion No. 51 would remove any distinction between an unauthorized and an authorized spill. Surely that is an area of incredible silliness on the part of the government. It is putting clauses in the bill which sort of say that if you authorize a spill, that is fine, and it does not matter how big it is. But if it is unauthorized, however small it might be, you are subject to penalty. That puts a power, again not in the hands of politicians particularly, but in the hands of the bureaucracy. Our common experience with the exercise of bureaucratic discretion is that it invariably becomes arbitrary and unilateral, however well intentioned the individual might be.

● (1700)

Motion No. 53 substantially clarifies the liability of anyone who has violated the environment under the terms of the bill. It does so by specifying that compensation must be paid when pollution impairs, for example, one source of income through loss not only of personal property but also of natural environment. This clearly would be of great interest to the natives in the north and should be accepted instantly by the minister, and for the life of me I do not understand why he does not stand up and do so immediately.

I was disappointed, as were other members, that the Chair disallowed Motion No. 54 proposed by the hon. member for Skeena (Mr. Fulton) on the grounds that it would entail the expenditure of public funds. That amendment was designed to establish a multimillion dollar compensation fund based on

letters of credit from the parties involved in exploration. In the face of damage, compensation to the individual would be awarded through the letter of credit. Surely that would be a worthy motion to be accepted by the government. Again, I have not heard a rational, realistic answer from any of the speakers in the House as to why that amendment was not accepted. There would not be any loss of face for individual Liberal members or the Liberal government. These are proposals designed to make the bill more satisfactory, and so that this nation can continue to go on for many, many years.

In summary, sir, it is most important I believe, first of all, that the conflict of interest between the two ministers be firmly resolved. There should be no doubt about that. Second, there should be this compensation fund that is adequate; and, third, we should have a much more clear definition of how the people in the north are going to be able to ultimately take over responsibility for their resources, just as the people of Alberta and Saskatchewan ultimately took over theirs. What will happen once this bill is firmly entrenched is that it will be virtually impossible for the native community to ever get full provincial status with control of their resources. They simply would not have the numbers of people to do it. It is important for that to be done now and I believe this bill should, indeed, be put off until that occurs.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, there are a good number of issues I would like to address today, one of them being ownership as it relates to my province of Nova Scotia. Unfortunately I will leave that one because I want to take this opportunity to express my views regarding Bill C-48, and to clarify the important role which the Department of Fisheries and Oceans has played and intends to play in the future in the matter of this legislation before the House. This also provides me with the opportunity to show that there is absolutely no foundation for the criticism made by the members of the opposition to the effect that environmental matters are not adequately dealt with under this particular piece of legislation.

I have no quarrel with members opposite who have referred to the great economic importance of the fishing industry to this country and the need to protect and preserve the fishery resource and the environment generally. I can only conclude that their criticisms are based on a misconception of the provisions written into the bill. My intention now, therefore, is to go into some detail to explain to hon. members opposite that the proposed legislation includes various provisions which are sufficient to dispel the fears of those, including myself, who are concerned about the protection of Canada's fisheries and oceans.

For the benefit of this House, I might perhaps point out that under the Department of Fisheries and Oceans Act the duties, powers and functions extended to the minister include the following:

(i) sea coast and inland fisheries,

(ii) fishing and recreational harbours,

(iii) hydrography and marine sciences, and

(iv) the co-ordination of the policies and programs of the Government of Canada regarding oceans.

In accordance with these duties, powers and functions, the minister is responsible for the administration of the Fisheries Act, the legislation which governs the management of Canada's fisheries and which dates back to confederation. Neither I nor the minister have to be reminded by members of the opposition that the protection and preservation of the marine environment, including fish and fish habitat, is fundamentally the responsibility of the Minister of Fisheries and Oceans (Mr. LeBlanc).

I also wish to point out to members opposite and to remind this House that the Department of Fisheries and Oceans is not only entrusted with the protection and management of fisheries, but also has a vital operational and advisory role in terms of the oceanographic and hydrographic aspects of ocean resource development as a whole.

That being so, I am fully aware that exploration for and the eventual production of offshore oil and gas may pose potential hazards to fish resources, to fishing activities and to the marine environment in general. As well, I as a member of Parliament from Atlantic Canada am aware that the offshore oil and gas activities are likely to have a significant impact on the socioeconomic welfare of Canada's coastal and fishing communities.

Both oil and gas, on the one hand, and fisheries, on the other, are resources which are invaluable in terms of Canada's economic future. However, it would be a step backward if the oil and gas resources were allowed to be developed at the cost or to the detriment of the fishing industry. It should be remembered that the life of an oil well is limited to a relatively short economic productive period. The fishery, on the other hand, is a long-term resource that will continue to provide livelihood and food, as it has done for centuries. It is my belief, and one which is shared I am sure by all members of this House, that the oil and gas industry must not unduly interfere with the fishing industry or, indeed, damage it in any way.

In saying that I do not wish to create the impression to my colleagues or to the public at large that I am opposed to offshore oil and gas development. Clearly the oil and gas sector is a major component of the Canadian economy. Oil and gas development must go ahead in a responsible manner; that is to say, in a way which deals adequately with fishing and environmental concerns.

I have said before and I state again that I firmly believe these two industries can coexist in harmony, and I am confident that my colleague, the Minister of Energy, Mines and Resources, (Mr. Lalonde), shares this view, as does the Minister of Fisheries and Oceans.

The Department of Fisheries and Oceans has made a diligent attempt, in my view with successful effort, to ensure the inclusion in this bill of provisions which will adequately serve to protect and safeguard those very concerns which have been expressed by hon. members in this House and by those who appeared before the committee.

I believe the need for co-operation and liaison between the departments in this matter is mutually recognized by the Minister of Fisheries and Oceans and the Minister of Energy, Mines and Resources. In this spirit the two departments have in my view collaborated closely and have united their efforts over the last months to accommodate the matters dealing with fisheries interests raised in representations before the Standing Committee on National Resources and Public Works. It is my view and belief that those matters have been duly taken into consideration by the Department of Energy, Mines and Resources in the latest revision of that particular piece of legislation.

Before I address myself to the specific aspects of this bill, I would like to draw the attention of the House to the fact that the Department of Fisheries and Oceans is also responsible for national programs in oceanography and hydrography. The Department of Fisheries and Oceans is carrying out studies and surveys in these two scientific disciplines in the principal area of hydrocarbon exploration and planned production. The Department of Fisheries and Oceans is actively involved with the regulatory agencies and with the industry as well as in matters related to the physical hazards to offshore drilling operations of such things as ice and icebergs, ocean currents and waves. The principal objective of this activity by the Department of Fisheries and Oceans is to assist in the design and development of safe and efficient offshore structures, and the safe conduct of related shipping operations. In this manner, not only is the Department of Fisheries and Oceans contributing to the economic development of offshore oil and gas, but—and I would emphasize this—it is contributing directly with measures that will help ensure the protection of the marine environment and its living resources. Simply stated, the likelihood or risk of environmental damage is considerably reduced by making sure that every possible safety procedure is built into the offshore operations.

● (1710)

In my view, any scheme devised for the protection and preservation of Canada's fisheries and oceans and the socio-economic welfare of fishermen and coastal communities must necessarily provide for preventive as well as remedial measures. It is true that all environmental damage cannot be compensated. It is precisely for that reason that preventive measures must be established to minimize the possibility of events which could lead to an environmental disaster. As is often said, an ounce of prevention is worth a pound of cure. Preventive measures include the entire range of scientific research, risk analysis and contingency planning and so on, while remedial measures include devising fast and effective clean-up methods and providing adequate compensation for any damages that might result.

One provision in the bill deals with the establishment of an environmental studies revolving fund, a proposal which has received the full support of the Minister of Fisheries and Oceans from the earliest stages. The proposed fund will then ensure studies required for the assessment of new areas or studies not carried out by proponents or government through established responsibilities will be undertaken. It has been agreed that the Department of Fisheries and Oceans will play a vital role in the administration of this fund and in the designation of study areas and requirements.

I should also emphasize that the consultative arrangements between the Departments of Energy, Mines and Resources and Indian Affairs and Northern Development concerning oil and gas development have been in place for a number of years. It is not just yesterday or the day before that they came into place. By means of two senior level committees, the resources management environmental committee and the interdepartmental environment review committee respectively, expert advice is provided on all matters relating to the regulation of oil and gas development. This includes matters such as draft regulations, oil spill contingency plans, approval of leased areas and specific environmental conditions. In addition, scientific information on the marine environment is provided directly on an ongoing basis both to the government agencies concerned and to the fishing industry as a whole.

The bill also proposes the establishment of a new Canada oil and gas lands administration which would bear over-all responsibility for regulation of oil and gas activities on all Canada lands. I have been assured that similar consultative mechanisms to those already in existence will be maintained. In fact, because of the extent of anticipated development in offshore areas, I have been assured by the Minister of Energy, Mines and Resources before committee and, indeed, in this House, that my concerns respecting fisheries and marine environment will receive particular attention.

An hon. Member: Don't bet on it!

Mr. Dingwall: It has also been agreed that the Department of Fisheries and Oceans will be fully consulted in the drafting and developing of new regulations relevant to its mandate and responsibilities.

An hon. Member: They made 100 recommendations and not one was accepted. Let's make that clear.

Mr. Dingwall: In order that the advice provided through these mechanisms properly reflects the concerns of fishermen and the fishing industry, the Minister of Fisheries and Oceans has already established direct consultation with the fishing industry in the form of regional committees. In fact, the first of these committees, in the Scotia-Fundy region, held its first meeting recently in Halifax.

I would like to state, therefore, that in my view there is due recognition of the needs and requirements of the fisheries, the fishing industry and the marine environment and that these needs are accommodated and properly recognized in Bill C-48 and the administrative procedures now being established to meet the needs of that particular piece of legislation.

I turn now to the liability and compensation provisions in Clause 80 of the bill which constitute, in my opinion, a significant component of the remedial aspects to which I referred earlier. One of the important features of the liability

and compensation scheme of Bill C-48 is the absolute liability regime whereby no proof of fault or negligence is required to establish liability.

An hon. Member: To the maximum of $30 million. That is absolute.

Mr. Dingwall: This goes beyond the strict liability regime found in similar legislation which allows the alleged offender to escape liability if the damage in question results from circumstances beyond their control.

There have been allegations voiced in this House that the definition of "spill" in the bill excludes "authorized spills". Closer examination of the relevant provisions, however, will reveal that liability under the bill applies regardless of whether a spill is authorized or unauthorized.

Some hon. Members: Hear, hear!

Mr. Dingwall: I might add that this modification appeared in the latest draft as a result of consistent representations made, I believe, by all members of Parliament, particularly members on the government side.

Some hon. Members: Hear, hear!

Mr. Dingwall: Furthermore, the liability provisions include not only damages resulting from spills but also compensation for damages resulting from debris on the ocean floor. The provision is undoubtedly far-reaching in terms of relief for the fishermen, the backbone of the fishing industry, and others who may have their gear damaged by discarded equipment from the oil industry. In this context, Mr. Speaker, I might add that the wide definition of debris which has been incorporated in the bill also came about as a result of an insistence on the part of fishermen, MPs and the Department of Fisheries and Oceans.

Another significant feature of the liability and compensation scheme is the inclusion of loss of income, including future income in the definition of actual loss or damage. I must emphasize that this provision goes beyond the basis for the award of damages under common law and in my view it is unprecedented in any similar type of legislation. Again, this major improvement was brought about in large part by the efforts of members of Parliament as well as by the Department of Fisheries and Oceans.

Another feature that is important from my own perspective is the extended limitation period for claims now incorporated in the bill. On the basis of scientific advice from the Department of Fisheries and Oceans it was agreed that the proposed limitation periods should be extended. I am now satisfied that the revised limitations in the new version of the bill are much more realistic in terms of assessing damage or potential damage to the living resources. Furthermore, the compensation scheme under the bill provides for financial responsibility in the form of a letter of credit, a guarantee or indemnity bond. This provision will enable potential claimants such as fishermen to gain access to funds immediately without being subjected to inherent difficulties often associated with going through the courts. That is a major benefit under this legislation.

I wish to point out that over the years there has been a steady and fruitful exchange of views between the Department of Fisheries and Oceans and the Department of Energy, Mines and Resources. This consultation process has been reflected in the participation of the Department of Fisheries and Oceans in various advisory groups, as I have already pointed out.

• (1720)

However, in the context of this bill co-operation has been further strengthened by the mutual consultations which the Department of Fisheries and Oceans and the Department of Energy, Mines and Resources have had with respect to the many modifications which, I believe, are now found in the bill. My colleague the Minister of Energy, Mines and Resources has given me as well as other members of Parliament the full assurance that his consultative process will be carried on in the future with respect to the enactment of regulations governing a wide range of subject matters relevant to the mutual interests of both the Department of Fisheries and Oceans and the Department of Energy, Mines and Resources.

I might also add that in some areas there are consultations which involve not only the Department of Fisheries and Oceans and the Department of Energy, Mines and Resources but also the Department of Indian Affairs and Northern Development and the Department of the Environment. The Department of Fisheries and Oceans will also be providing expert advice through the proposed Canada oil and gas lands administration.

I think I have quite clearly demonstrated the absence of any foundation for the allegations raised in this House that the environmental provisions of Bill C-48 are inadequate. I wish to reiterate the fact that consultations between the Department of Fisheries and Oceans and the Department of Energy, Mines and Resources are and will continue on an ongoing basis with respect to all matters under Bill C-48. Indeed, the latest version of the bill, in particular the provisions relating to liability and compensation, in my view reflect the considerable efforts expended by all members of Parliament. I wish to emphasize that hon. members on this side of the House as well as hon. members opposite played a role in bringing that to the attention of both the Minister of Fisheries and Oceans (Mr. LeBlanc) and the Minister of Energy, Mines and Resources. In that regard I think we can all pat ourselves on the back.

I wish to conclude my remarks on this particular aspect of Bill C-48. I hope to have a chance in the near future either within this House, on the hustings or, indeed, in my own province of Nova Scotia, to address that question and that issue which is so often attacked by hon. members opposite, that of ownership. I do not really believe that is the issue at all in Nova Scotia. The issue really is the benefits which accrue from oil and gas activities.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, when one rises to speak about Bill C-48, one feels somewhat like the Arab felt when he entered his harem. He knew what he was there for; he just did not know quite where to begin.

There are many aspects of this bill about which one would want to speak. I will restrict myself to a quick word about what the previous speaker referred to, the role of the Minister of Fisheries and Oceans (Mr. LeBlanc), and address the main part of my remarks in reply to the Minister of Energy, Mines and Resources (Mr. Lalonde), who told me I did not have very much patience in listening to his speech. At least I was here to listen to his speech, and I want to reply to it.

With respect to the previous speaker, I suggest to him that he might want to look at the reports of the department to which he referred and specifically the report of Mr. Grinnell, who wrote a report on the implications of offshore petroleum development for Atlantic fisheries, a socioeconomic overview. This was released by the Department of Fisheries and Oceans in August, 1981. At page 29 of that report the author says, and I quote:

> The U.K. experience tells us that a rapid escalation of petroleum activities can offset routine gains in employment and business activities by losses in environmental values and social conditions, as well as sharp increases in cost of living for those on fixed incomes or in work areas not associated with the petroleum industry—without a commensurate increase in income. In addition, industries competing for labour and space with the new industry, and marketing products in competion with those from industries in low cost situations, may have economic problems. Fishing, if conducted inefficiently, can be particularly vulnerable.

He went on to say why. I just quote that to say that I would not want to see the impression left with fishermen that they will not be vulnerable in many ways to the rapid escalation of oil and gas development about which this bill talks.

I want to refer to some of the remarks made by the Minister of Energy, Mines and Resources because he gave the impression that everything is hunky-dory, that this bill is fine, that it can proceed and so forth.

With reference to north of 60 the minister has succeeded in doing a strange thing. For the first time in my memory and in the memory of many people he has united the Northwest Territorial government, the Dene and the Indian people in the Northwest Territories, the Metis and the non-status Indians in the Northwest Territories, the Yukon Territorial government, the Indian brotherhood in the Yukon, the non-status people in the Yukon, the Inuit Tapirisat of Canada and all the Eskimo organizations, business in the north, labour in the north and environmental people in the north. As a matter of fact, everybody in the north opposes this bill, including even the municipalities in the north. He has succeeded in bringing unity to the north in the fact that all oppose this bill. All are united against it.

The question is why. Perhaps it is somewhat of a breakdown in communications or in understanding. This bill sets out a strong regime, in many ways, compared with previous regimes. I see in the gallery today a representative from the department, specifically Dr. Crosby, who did a very good job in his department working to try to get a hard-hitting regime together to deal with the oil industry and other aspects for the first time in a long time. The previous regime was disastrous. However, what has happened with this bill is that in the process the minister, who likes to ram things through, has forgotten to consult in a real way with the northern people. That is very important because they are the ones who have to live with this development.

What the bill does is speed up the development, so the minister should not be surprised when we stand up on behalf of northern native people and other northerners and on behalf of environmental groups and say, "Wait a minute; be careful; fix this bill up, if you can, and see what is happening as a result of this development." It will speed up the pace of development. What else is the Department of Energy, Mines and Resources there for? Its job is to push development. We would not expect these good doctors in the department to do anything else. That is their job. However, we in Parliament, as politicians and as people representing the entire country, must make sure that in putting a bill like this through we protect the interests of certain groups which will be affected by the bill.

This bill has generally been ignored by the press. Look at the press contingent here today. Everybody is interested in the Constitution or in the economy, perhaps, as people should be, but this bill is a real sleeper because it causes some very dramatic effects in the north and offshore. Environmentally speaking, this bill would set a pattern for an environmental regime and for other matters.

When he spoke, the minister gave the impression that the bill would go through easily. Of course it will; it is a question of power. The centre in Canada has the power at the expense of the periphery. That is what the hon. member for Saskatoon East (Mr. Ogle) meant when he was talking about development overriding the interests of the native people and environmental concerns. Granted, hon. members opposite can do it, but I say to the government that they pay a price. I suggest that the government be prepared to accept motions we present, motions the opposition Conservatives present and, of course, some of its own motions. Even at this stage the government should add amendments to the bill.

In dealing with the bill we in the New Democratic Party have had four main criticisms. The first is that the bill emphasizes Canadianization. We say it is a giveaway because 93 cents of every exploration dollar basically goes toward replacing the big American boys with big Canadian boys. Is that a change? We say no. It will make the Dome Petroleums and the NOVA corporations rich. The Dome Petroleums and the NOVA corporations will rush to drill in the Beaufort Sea and in the north at the expense of the environment.

Second, we have criticized the bill because it overrides the concerns of native people. Liberal members opposite do not have to care, but I put it to them that the Anglican church has informed the Prime Minister (Mr. Trudeau) that it favours complete withdrawal of the bill. This surely must have some influence. The Roman Catholic bishop Paul Reding read a statement from the Archbishop of Edmonton, Joseph N. MacNeil as follows:

I believe this legislation could, in effect, seriously prejudice the settlement of native land claims and further relegate the people of the North to a colonial status within Canada. This issue will have a dramatic influence upon the lives of thousands of our fellow Canadians.

● (1730)

In fact, the minister says this bill is neutral with respect to land claims. You cannot be neutral with respect to land claims. If you are going to develop the north, you have taken all that property off the table in the negotiations. Once again, the native people in the north will become like the native people in southern Canada. They will be the people standing by the road when the trucks roll by; they will be in skid row in Regina or Vancouver instead of taking their proper place in the development of the country. You have to do that by settling land claims first. That is why the matter is there. This bill, as a matter of fact, Mr. Speaker, may be unconstitutional.

I remind the members that section 34(1) of the Constitution Act says this:

The aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

That principle was accepted in the Constitution. That principle was right. It is a very progressive and ultimately radical principle. The government is to be congratulated on this because it recognizes that the country is made up of the founding peoples, the native peoples, the original peoples, the two other groups, the French and English, and then the multicultural group, the group that came afterwards—that is the genius of the Constitution. It is a wise document. You cannot then come along with Bill C-48 and completely ignore that principle.

Let me now deal with a third criticism of the bill: the environmental aspect. The minister looking over at me said in his speech, "What are you worried about? Dome Petroleum have been drilling. They have drilled hundreds of wells and there has been no spill yet." But, Mr. Speaker, this bill means there is going to be an immense speed up in development. We do not know how to handle offshore spills.

A report in the Ottawa *Citizen* of May 9, 1981, stated this about a meeting in Resolute Bay, Northwest Territories:

A spokesman for Dome Petroleum Ltd. of Calgary admitted Friday when questioned by concerned Inuit that his company does not have the ability to clean up a major oil spill in the Northwest Passage.

But Ed Pessah told a public hearing that his company, which is proposing a fleet of icebreaking tankers to ship Arctic oil to southern markets, is studying methods to clean up major oil spills and hopes to be able to do that by 1986.

Ed Pessah said:

We probably could not clean up that oil spill today but we are hopeful that we could by 1986. We could not give that guarantee today.

We are here today discussing a bill with inadequate environmental protection, when Dome Petroleum admits, contrary to what the minister told the House, they cannot control an oil spill in the Arctic. What kind of leadership is this? "Have patience," says the minister. The minister should have listened to the remarks made to the hon. member for Nunatsiaq (Mr. Ittinuar) and the member for Skeena (Mr. Fulton) when they talked about specific proposals we made. Why did the minister not say, "We will accept those proposals. They make sense." For example, we wanted to define an oil spill. I will not go into this in detail, Look at *Hansard* on page 11796, and you see that the hon. member for Skeena refers to the reasons for defining an oil spill. He talks about cumulative leaks being just as bad as a big spill. That is why you must have a definition of what an oil spill is. He cites the experience in Wales in these words:

Let us look at the experience elsewhere. In Wales, the harbour authority has defined a spill as anything over a few barrels. What this has done is to give a mandate to the local authorities to watch the chronic oil pollution problem closely, but it has also meant that the companies involved have taken the time to train their employees properly and have recognized the importance of controlling these kinds of spills. Incidentally, when a quantified level was set, the spill rate in Wales dropped to one spill in 100 from previous levels.

We advocated that when we brought forward Motion No. 52. In an excellent speech to the House the other night, the hon. member from Nunatsiaq really dealt with the matter in detail. If you look at what he said, Mr. Speaker, at page 11831 of *Hansard*, you will find he defined why we want Motion No. 52 of the bill. He dealt with the method of compensating people for spills.

He also dealt with another matter. This is a grave matter. It is dealt with in Motion No. 53. You heard the hon. member from Mississauga also make the point. Bill C-48 would only allow you to go to court over a spill, to sue, or to go to the minister if your property were directly affected. In the north they have walruses and other groups of animals. Those groups are not privately owned; they are owned collectively. If the minister knew anything about the north, he would know that. They are viewed as being owned collectively. We heard a northern native and a southern lawyer say this. If you were to read their speeches together—and I suggest the government might want to do this—they might want to adopt Motion No. 53. I believe they make sense. They were saying you have to give the people in the north a way to sue for their general loss. You have to give people of the north a way to identify the general loss. We have an amendment for this. We asked the companies to report spills and incidents. We asked there be a time delay because you might not be able to find the loss for a little while. These motions make sense to me.

We have also included Motion No. 34 in this group. I suggest it is worth looking at. It was partly outlined in the remarks made by the member for Nunatsiaq. Motion No. 34 deals with persons or groups directly affected by oil and gas activities being funded so they are enabled to participate effectively in the studies and in the hearings. Surely the interest holders and the oil and gas producers should bear the cost of funding the environmental studies in a revolving fund and should refund, at least, in part, those persons or groups affected by the activities. There should be an advisory committee comprised of representatives from the oil and gas industry, public interest groups, aboriginal people and other groups. At page 11832 of *Hansard,* the hon. member for Nunatsiaq outlines this in some detail. I ask the government to take a look at this particular amendment. I will not go into it in any

more detail. However, they should look at it because I believe it is worth while.

The government has made a big mistake with regard to this bill. This is a centralized bill. It is brought down by this government against the wishes and without really consulting the members of the people of the north.

I heard the minister say that in the committee say, "We heard from all kinds of people. We sat for so long. We heard from the government bureaucrats and from the industry. That is who we heard from." We had only one day with the northern people, and the committee refused to go up north. What kind of way is that to run a country like ours? This is a big country. The north is our last frontier. We should at least hear from northerners.

I will conclude the substantial part of my speech, Mr. Speaker, by suggesting to the members opposite that they take a look at the amendments we proposed in good faith. It will not cure their bill, but it will help it a bit.

The other point I will make in conclusion, Mr. Speaker, is that when I was a younger lawyer, I went to a hearing in Inuvik as counsel to the Berger inquiry on the Mackenzie Valley pipeline. I did not understand, at first, things about the north. I thought like a southerner and did not understand then the point I just made about collective ownership of animals. I remember the night when Sam Raddi appeared before the inquiry in Inuvik and gave a very quiet speech. Mr. Raddi is blind. He speaks very quietly. He spoke about the time when he was a boy and his father told him that if the animals ever left the Beaufort Sea, the people would go; if the animals go, the people go. It is not just a question of killing polar bears and seals because we in the south may happen to like polar bears and seals. It goes further for northern people. It will kill them if they lose those animals. It will kill their culture. The minister should know better. He should stop this bill. He should go up and consult the people of the north about it. Before third reading, he should try again to talk to the northern people.

• (1740)

We want to keep our northern environment. All parties in the House share this view. We are a northern people. If one reads Canadian literature, one finds over and over again illustrations of how we are northerners. Although we live in southern Canada, we think of ourselves as northern people. There is not a member in the House who does not want to preserve the northern environment. I have been through three or four years of hearings on this matter, and I find that the only way we can preserve the northern environment is by tempering the development of the north, which the minister wants to bring in through Bill C-48 full flight.

It must be tempered with some balances. It must be tempered with a settlement of native land claims and by including all northern people in this bill. In that way we can have both the northern frontier and the northern homeland intact for the people. That is the point we in this corner of the House are making.

Some hon. Members: Hear, hear!

Mr. D. M. Collenette (York East): Mr. Speaker, indeed it is a pleasure to join in a debate which is not on procedural matters. This departure is somewhat unique for me as in the last little while I have been concentrating on procedure and points of order when speaking in the House of Commons.

I do not intend to come before the House today to talk about this bill in any great depth. However, I have been present in the House during the last year while this bill and the National Energy Program have been before us, and I am somewhat surprised that we are still debating this measure in the month of October, a full year after the National Energy Program was brought forward.

The hon. member for Vancouver-Kingsway (Mr. Waddell) lamented the fact that there is only one reporter from the Canadian Press in the gallery today. Perhaps that answers his question. We know the excellent objectivity of the Canadian Press in general and its good judgment because it is so attuned to political life in the country. Since more reporters are not present, perhaps it means that there is no great fuss out in the country and perhaps this is, then, a good bill. Perhaps the fact that there is only one reporter from the Canadian Press tells us that there is no great uproar about this bill, and that we should pass it.

Mr. Deans: What is your definition of "objectivity"? You started a libel suit against them last week.

Mr. Collenette: I hear the hon. member for Hamilton Mountain (Mr. Deans) heckling me. With all his years of experience, I would have thought he could detect when someone was talking tongue-in-cheek and when someone was talking in a straight sense.

Mr. Deans: Will the hon. member accept a question?

Mr. Fulton: Talk about the environment.

Mr. Collenette: The hon. member is trying to seek the floor. I do not know whether we should allow him to interrupt the debate. I did not want to cause any fuss; I have been in the middle of enough fuss in the last year. It was very innocent of me to think that at 5.45 p.m. I could rise to talk about Bill C-48.

This bill has been before us for a long time. The minister mentioned that 30 speakers had been heard on Motion No. 3. We are now on the third day of debate dealing with the environmental motions. Hon. members should realize that when report stage was conceived in the 1969 rule changes—and I stand to be corrected—it was meant to be a helpful device so that after deliberation in committee the government, in particular, could come forward with amendments to the floor of the House which had not previously occurred to the government and were the result of committee deliberations.

Earlier in the session we saw that report stage on Bill C-57 was regarded by the opposition as another attempt to delay the normal passage of bills. If we consider rule changes in the new

year and we come forward with some work for the Standing Committee on Procedure and Organization, I hope we will reflect on how report stage is continually being abused. If we continue with this bill at the same speed, we will still be on it well into the new year.

There is one theme running through the discussion on Bill C-48, both on this side and the other side of the House, that is, the need for some orderly rules governing the development of exploration for resources on the Canada lands. I think everyone would agree that we need this. The fact that we are debating this bill ad nauseam has an unsettling effect on the country. We are not establishing a regime for orderly development. Hon. members of the NDP, those self-righteous gentlemen and gentle ladies from the nether regions of the political spectre, fail—

Miss Jewett: Is that how you talk about the west? No wonder you did not get any votes there.

Mr. Collenette: —fail to appreciate that the things they are supposedly fighting for are being hampered by their continual delay to face up to the issues with respect to the development of the Canada lands. We saw this on Motion No. 3. Actually, it was not the NDP who prolonged the debate; it was the official opposition.

Mr. Deans: Make up your mind.

Mr. Collenette: They prolonged the debate after the hon. member for Etobicoke Centre (Mr. Wilson) stated, as reported in *Hansard* of December 7, 1980, that we need quick passage of the bill. I am not sure whether the fact that he made this statement a year ago and the bill is still before us is the reason he is no longer the energy critic of his party. The point is that the official opposition has delayed the bill, yet originally it called for its speedy passage. The hon. member for Etobicoke Centre talked about unilateral action. I will relate this to the motions at hand and the need for orderly development, but as reported on page 5675 of *Hansard,* the hon. member for Etobicoke Centre said:

> Bill C-48 confirms the Government of Canada's unilateral approach in yet another area of policy, and that is in the area of offshore jurisdiction over resources.

The hon. member for Etobicoke Centre castigated the government for so-called unilateral action. It is not unilateral action. What is being done in this bill, especially in Motion No. 3, is simply to confirm the status quo. I might say in passing that the official opposition should be castigated because the prolonging of debate on Motion No. 3 severely prejudiced the very sensitive negotiations now under way between the government of Newfoundland and the Government of Canada respecting the sharing of wealth from the offshore. The opposition has prolonged and continued these debates. Before I talk in depth on the other motions, I should say that the official opposition seems to be the only institution or force in the country which is out of step with public opinion on the Canadianization policy and on the National Energy Program.

The premier of Ontario embraced so-called free enterprise in Queen's Park. He embraced the tenets of the National Energy Program by having his government acquire a stake in one of the large multinational oil companies. Obviously there is widespread support for the NEP and its Canadianization provision. As on so many issues facing the country, whether it is the Constitution, the charter of rights, citizenship in the 1940s or the flag, it is the official opposition, the National Progressive Conservative Party, which is bringing up the rear, failing to come to terms with the modern reality of modern Canada.

What about these particular environmental motions? If one read them individually, one would think that the NDP is claiming some exclusive right on behalf of all Canadians to protect the environment. This is not true. I resent somewhat the implication in the House that it is only our friends in the New Democratic Party who have environmental interests at heart, that it is only the NDP who have the native people at heart. I resent that, Mr. Speaker. This motion of moral prudity and exclusivity is somewhat offensive.

• (1750)

The minister pointed out that environmental concerns have been addressed in this bill. This government set up the Berger Commission. I understand that the hon. member for Vancouver-Kingsway (Mr. Waddell) was involved with that commission and its report was embraced by the Liberal side of the House. After the government has proved, over the years, its serious concern for the environmental effects of development in the north, his party comes in with a group of motions.

That party talks about oil spills, Mr. Speaker, but the minister pointed out that there has not been an oil spill of any great significance. That does not mean that there will not be and that we should not be concerned that there might be in the future. But to date there have not been any great oil spills because, so far, the rules under which exploration has occurred have been controlled and monitored by the government. I submit that conditions are being enhanced in the bill that is before us.

My colleague, the hon. member for Vancouver-Kingsway, talked about native opposition and about Section 34 of the Constitution Act. But he defeats his own argument, Mr. Speaker. In the constitutional resolution the government is enhancing and protecting native rights. In no way will the provisions of this bill run counter to the charter of rights when it is implemented.

I think the hon. member's argument is somewhat rhetorical when he claims that we have not thought this matter through. If he reads the bill closely, he will see that every attempt has been made to be sensitive to native and environmental concerns.

The minister spoke of the attempt of members of the New Democratic Party to diffuse responsibility for environmental protection through the use of these motions. I should like to know where the Tories stand on this question. That is the party that claims to stand for efficiency in government and which

talks about giving leadership. What is their stand on the amendment in question in which the NDP proposes a more diffused responsibility over environmental concerns? We have not heard from them on this point. I think it is essential that one department and one minister have overriding responsibility for the environmental provisions of the bill.

The minister also spoke about the assistance the bill affords individual citizens to protect themselves against environmental damage. The judicial process is upheld and individuals who may be adversely affected will have the right to make a judicial appeal. The minister spoke about blank cheques from the industry so that citizens would receive compensation. I am not sure of the details of those so-called blank cheques but it is evident that the bill will require the industry to be responsible for cleaning up any spills or environmental hazards that occur as the result of resource development. The opposition argues that point but the trouble with them is that they look at every little nuance—

Mr. Fulton: Mr. Speaker, a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Skeena (Mr. Fulton) on a point of order.

Mr. Fulton: Mr. Speaker, I wonder if the member would quote the clause he is referring to. We have heard an awful lot of hot air and misquotes from the hon. member. We have a number of motions before the House—

An hon. Member: Sit down.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for York East (Mr. Collenette).

Mr. Collenette: Mr. Speaker, I am sorry I offended my friend from Skeena. Perhaps we should look at the speech made by the Minister of Energy, Mines and Resources (Mr. Lalonde) and the speech made last Thursday night by the hon. member for Shefford (Mr. Lapierre) who outlined the weaknesses of the NDP amendments. I do not propose to hold up the House at this point. I understand that the hon. member for Skeena wishes to speak. Let him get to his feet and say his piece.

An hon. Member: He has already spoken.

Mr. Collenette: He has already spoken yet he would try to deny me, a humble member of this House, the right to make some small impact on the debate.

An hon. Member: Speak to the motion.

Mr. Collenette: In summary, Mr. Speaker, these amendments must be rejected for the reasons I have outlined.

Mr. Andre: *The Globe and Mail* was right.

Mr. Collenette: Mr. Speaker, I hope that the government would take its responsibility and see that this legislation becomes law as soon as possible.

Some hon. Members: Oh, oh!

Mr. Collenette: In British parliamentary democracy there is a theory that if a government is elected, then obviously it has a responsibility to put policies forward. It has a responsibility also to have those policies debated, but at some point it has to move on. It is not closure; it is adequately airing debate. The hon. member opposite said that I was spewing forth a lot of hot air. I would remind him that 30 members of this House spoke on Motion No. 3. If one must talk about hot air, then perhaps one should look at one's own party.

I think we must get on with passing these clauses and I hope the debate can be wound up tonight so that we may clear this very important piece of legislation off the agenda of the House of Commons. Then we could move on to the macroeconomic debate that the Tories want. All summer they have called for a macroeconomic debate to deal with the so-called poor economy of the country, yet they permit their members to stand up, one after the other, to filibuster this bill.

I did not mean to get so passionate in making these comments Mr. Speaker; I was just trying to be helpful to hon. members opposite. Before I sit down, however, I must say that I think it is high time that members of the public who watch us on television or read the debates, and even the lone reporter from the Canadian Press—wherever the lady might be—

Mr. Taylor: She could not stand you.

Mr. Collenette: —take note that this bill should be passed into law, and soon.

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

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

Some hon. Members: Question.

Mr. Taylor: Mr. Speaker, a point of order.

The Acting Speaker (Mr. Ethier): Order, please. I cannot recognize the hon. member if he is not in his proper seat.

Some hon. Members: Question.

Mr. Taylor: Mr. Speaker!

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Bow River (Mr. Taylor) on a point of order.

Mr. Taylor: Mr. Speaker, the words of the hon. member for York East (Mr. Collenette) are pretty hollow when you realize that three Liberals spoke. Three Liberals held us up.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 4 in the name of the hon. member for Nunatsiaq (Mr. Ittinuar).

Mr. Deans: Mr. Speaker, a point of order. I wonder if you are in a position to inform us on the ruling of the Chair with regard to a question I raised on Friday last. I asked that the votes on Motions No. 51 and 4 be split for the purpose of determining if Motion No. 4 dealt strictly with definitions

while Motion No. 51 was an operative section. I wonder if I could have a ruling on that before you put the question on Motion No. 4.

The Acting Speaker (Mr. Ethier): Order, please. If the House wishes to dispose of the motions separately, the Chair is quite agreeable to that.

The question is on Motion No. 4 of the hon. member for Nunatsiaq (Mr. Ittinuar).

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

• (1800)

The question now is on Motion No. 51. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The question is on Motion No. 34. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The hon. member for Vancouver-Kingsway (Mr. Waddell) on a point of order.

Mr. Waddell: Mr. Speaker, perhaps Your Honour could clear this up for me. There was a motion that we include another section which Mr. Speaker had ruled out, and I just wonder if you could tell us before we proceed whether there has been a ruling on that.

The Acting Speaker (Mr. Ethier): To which motion precisely is the hon. member referring to?

Mr. Waddell: Number 54, I think.

The Acting Speaker (Mr. Ethier): The Speaker will rule later on No. 54.

The question is on Motion No. 52. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The question is on Motion No. 53. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The hon. member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Mr. Speaker, on Thursday last I raised the question with regard to the appropriateness of Motion No. 54 which, in order of sequence, would come next for voting purposes. I put before Madam Speaker an argument in favour of the motion as it stands, contrary to the decision made by Mr. Speaker in a ruling tabled on July 13, 1981. I wonder if I might have a ruling on Section 54 before we proceed with the vote on the subsequent sections.

The Acting Speaker (Mr. Ethier): Again I am informed by the Clerk that Madam Speaker has said that she will make a ruling on Wednesday on this specific motion, Motion No. 54.

The question is on Motion No. 55. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Motion No. 55 (Mr. Lalonde) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 56. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The question is on Motion No. 57. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

It being past six o'clock, I do now leave the chair until eight o'clock tonight.

At 6.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. I understand several motions were disposed of before the dinner hour this evening. Accordingly, the House may wish to consider Motion No. 5 standing in the name of the Minister of Energy, Mines and Resources (Mr. Lalonde).

Hon. Mark MacGuigan (for Mr. Lalonde) moved:

Motion No. 5

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 5 by adding immediately after line 39 at page 5 the following:

"(7) The members of any advisory body appointed under subsection (6) may be paid for their services such remuneration and expenses as are fixed by the governor in council."

and by renumbering Subclause 5(7) as Subclause 5(8).

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, we in this party do not have any profound objections to this clause which provides that the minister may appoint an advisory body to advise him with respect to matters relating to the administration of this act and that the governor in council be empowered to pay for their services. In theory, that provision is reasonable. But as we know from experience with the operation of this government in the last few months and years, we know that what is sometimes a reasonable procedure turns out often to be not so reasonable. I do not know that we could find the appropriate language, and indeed it is regrettable that it is even necessary for members of this House to express the hope that this provision be not inserted for the purpose of allowing the minister to reward and remunerate his friends and associates.

It would be nice if we could have some provision in here to ensure that the sleazy behaviour regarding Messrs. Maurice Strong, David Beattie and Joel Bell with respect to the CDC will not be repeated here. It would be nice if we could find the appropriate language to ensure that this particular provision will not be used for some under the table sleazy payments to assistants of the minister. It would be nice if we could find some way to ensure that this provision will not end up as a way for the minister to reward campaign workers, defeated candidates and other loyal Liberals, a habit that has developed with respect to these types of appointments.

Prior to six o'clock today we heard the speech of the former parliamentary secretary to the President of the Privy Council (Mr. Pinard). He talked about the coming parliamentary reform, perhaps in the new year. One parliamentary reform, which the record of this government indicates is vitally necessary if we are to restore some public respect for this body and for the government, is a reform wherein appointments such as this be made subject to review, so that the remuneration of people who are appointed to advisory boards, boards of directors and various government appointments be made subject to public disclosure and public review. As well perhaps we should assign an advise and consent role to this House, similar to that in the United States. Obviously with a government whose only moral code is the Criminal Code, this kind of unconventional, immoral behaviour is bound to continue. I do not think it does justice to the taxpayers of Canada who ultimately have to pay these salaries.

With the caveat, Mr. Speaker, that some of us in this Parliament at least do find that kind of behaviour by the government sleazy at best, I say on behalf of my party that we have no objection to Amendment No. 5

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a few comments on this particular amendment moved by the Secretary of State for External Affairs (Mr. MacGuigan) for the Minister of Energy, Mines and Resources (Mr. Lalonde). I must say that the hon. member for Calgary Centre (Mr. Andre)—

An hon. Member: The sleazy member from Calgary.

Mr. Waddell: I did not call him that, but he has a peculiar way of supporting that proviso. On behalf of our party, I also support the amendment. However, I might point out that this is a provision for appointing advisory bodies. There are no specifics as to what the advisory bodies are or who will be on the advisory body. It is a provision to pay the people who are appointed to these advisory bodies. I wish I could be more encouraged by the level of appointments.

For instance, let us take Petro-Canada. I think hon. members opposite, the governing Liberal party and our party share some views on Petro-Canada. We want to see Petro-Canada work as the national oil company for all Canadians. I am quite proud of my Petro-Canada credit card, except when I have to pay the charges incurred by using it. Members opposite from eastern Canada will be getting Petro-Canada credit cards when Petro-Canada converts all the Fina gas stations in the east. People will respond to Petro-Canada. You will see it happen. We saw it happen out west. People will come to those gas stations. The people of this country are proud of Petro-Canada.

Some appointments were made to the board of Petro-Canada recently. I am still trying to figure out what Mr. Jerry Grafstein of Toronto knows about the oil industry and what his particular expertise is entitling him to sit on its board.

Mr. Nielsen: There are others.

Mr. Waddell: I know there are others, as the hon. member for the Yukon (Mr. Nielsen) has said. Maybe I will get to those in a moment. There is also someone from the Yukon. At least she can say she lived in the north. I do not know if Mr. Grafstein has been north of Bloor Street. Actually I knew Mr. Grafstein years ago. He is a very competent man, but why is he on the board of Petro-Canada? Why do we not have a native or an Inuit on that board, or why do we not have some environmental people or some small business people? What about some of those people who are retail gasoline dealers representing their point of view? What does Mr. Grafstein have to contribute to Petro-Canada? What is his *raison d'être* for being on the board?

• (2010)

An hon. Member: He is a big "L" liberal.

Mr. Waddell: That is right, he is a big "L" liberal and this is a patronage appointment. Are we about to be voting here for patronage appointments? I hope and trust that is not the case as this has never happened in the past except for Petro-Canada and in respect of numerous other boards. I hope these will not be patronage appointments.

An hon. Member: It is a good program for exchanging people.

Mr. Waddell: It is a good program to exchange people from being Liberal fund raisers to becoming members of the board of Petro-Canada. That is a strange exchange.

An hon. Member: Between private enterprise and government.

Mr. Waddell: I just returned from the election campaign in Nova Scotia, and when driving around during the campaign I saw some steam coming up from the road and I could not figure it out. Finally the person who was driving me told me that was just steam coming from the new pavement. I told him the road looked fine, but he said that they had paved the road because of the election campaign. They pave the roads there during election campaigns, and one could see the steam coming up because it was so fresh.

What I am saying is simply this. Let us not make such gross political appointments. My predecessor, as the member for Vancouver-Kingsway, Mrs. Holt, lost the election and found herself on the National Parole Board. Mr. Grafstein has done organizing, fund raising and media work for the Liberal party, and so he finds himself on the Petro-Canada board.

You will recall, Mr. Speaker, that Roman Emperor Caligula, appointed his horse to the counsel once. I do not think the Liberal party would ever have done that if they had been in power in Rome. I am sure they have the horses, but the problem is they could not vote or could not contribute at election time. The only point I want to make about these boards—

An hon. Member: They have had horses vote before.

Mr. Waddell: I do not know if the hon. member is listening, but the point I simply make is, let us try to have some real, genuine northerners appointed on these boards, or people who are concerned with this particular matter. Let us not make this a place for political hacks. I would like to see this specified. How can we really trust this government in many ways? I see the Secretary of State for External Affairs sitting there. He is my old professor from law school at the University of Toronto.

An hon. Member: He is not that old.

Mr. Waddell: Another professor who has been around for some time says he is not that old. He is not that old, but I would draw the attention of the House to a speech by Mr. Peter M. Towe, ambassador of Canada, made to the American Gas Association in New York City on October 13. I have the notes for his speech. He said, and I quote from page 7 where he spoke of the National Energy Program:

> What the Canadian government does intend is to mobilize predominantly private Canadian investment from existing companies, pension plans, insurance funds and individuals and to encourage their investment in the oil and gas industry.

I am glad the ambassador was straightforward because that is what I have been saying in the House. Canadianization is basically the exchange of a large foreign company with foreign private capital for Canadian private capital. Let us not mistake this as taking under public ownership the Canadian oil industry.

Mr. Towe then went on to say this:

> Some critics are concerned that the NEP's Canadian participation provisions might be the first step toward similar policies for other economic sectors. I can assure you that this is not so.

What we are getting here is in fact the government backing off from an industrial strategy. I am sure we will be referring to this later, but the point I am raising now—especially since the Secretary of State for External Affairs may speak on the motion, and I want to give him a chance to reply—is that here is a Canadian ambassador announcing policy. I did not know that was the role of an ambassador, but clearly that must be the government's policy. It is going to back away from the industrial strategy it promised.

What I say with regard to this motion is that we should really nail down, if we are going to have an advisory board, who is going to be on the board, how it is to be representative, what it is to do, and so on. If we do not do so, we are going to get this type of person I spoke of appointed. I do not call them sleazy because there are some very sincere, experienced and dedicated politicians on that side of the House.

An hon. Member: Too experienced.

Mr. Waddell: My friend says "too experienced". Be that as it may, what I am worried about is that if this is not nailed down, we will see the kind of appointments that are almost worse than that of Caligula, the appointment of political hacks and bagmen, with the worst of the old system of political patronage in which this party and this government have been known to indulge. Thank you, Mr. Speaker.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I just want to make a very brief interjection at this point because, to those of us who have served at one time or other on the Standing Committee of the House on Regulations and Other Statutory Instruments, it is self-evident, when you look back at the last 12 or 13 years of history when this government has been in charge of this country, that there has been a consistent long-term tendency to appoint members to boards and commissions and to retain that power of appointment within the government. It is the case, in terms of this recommendation, to further retain the power to set the compensation that shall go to those members of boards and commissions. My good friend to my left has identified the issue of Jerry Grafstein's appointment to the Board of Petro-Canada. I simply want to say to the Canadian people that more and more of their lives are being governed today by appointed bodies which are not subject to parliamentary scrutiny. Each time this happens, in all these little bits and pieces, whether we are talking about the Post Office, the Canada Lands Surveys Act, as we now are, or Petro-Canada, we are turning over a bit of freedom in the sense that the people no longer have the clear opportunity to examine the wisdom of what is being proposed.

I cannot help but reflect on how much happier I would be with a proposed amendment that, instead of using the words "Governor in Council", we used the words "The Parliament of Canada". Then the amendment would say that whatever advisory boards might be appointed by the Parliament of Canada,

compensation should be decided on some kind of regular basis by the Parliament of Canada. In that way the people of Canada who pay the taxes in this country would have some right to a clear-cut, careful examination of the qualifications of the people who are to serve in this capacity and the remuneration which should accrue to them.

I could not let this kind of a motion pass without rising, at least briefly, to say that we are putting one more nail in the coffin of Canadians in the sense of turning away from the Parliament of Canada and the power of the electorate of this country toward government by groups appointed in secret and remunerated in secret because of this lack of public examination of their qualifications and compensation. Thank you, Mr. Speaker.

● (2020)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): I will not be long, Mr. Speaker, but I have to respond to what the hon. member for Calgary West (Mr. Hawkes) just said. He said the appointments were to be made in secret and the remuneration would be determined in secret. Nothing can be further from the truth. The minister and governor in council will make the appointments. They are public appointments. The remunerations are public and the hon. member can find out about them either by asking the minister in the House or by asking him in committee or by seeing them published in *The Canada Gazette.* What is secret about that? The hon. member is standing here and dragging a red herring down the centre of the chamber.

An hon. Member: We want to know if their houses are going to be mortgaged.

Mr. Evans: I think we should get on with this debate and quit listening to that kind of nonsense.

An hon. Member: If it was such a great idea, why didn't Joe do it?

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I suppose than anybody would have to accept the amendment before us as recognition that at some time advisory boards will be used. I wish to point out some of the major concerns of our party and of members of other parties in committee about the role of advisory boards. The legislation should provide for the establishment of specific advisory boards and set out the roles they should play.

I would like to run through what we felt were some of the major shortcomings in this legislation and why advisory boards might be one mechanism which would meet our concerns. The bill leaves tremendous power in the hands of the minister and, as a result, the decisions that affect the lives of Canadians on the west coast, in the north, not the east coast, will be centralized in the hands of the minister.

It is unfortunate that this bill allows for something that we heard complaints about just a few minutes ago, that is, secret dealings. There is a great deal of fear that proper explanations and information will not be available and that opportunity for input will not occur because of the powerful discretionary role of the minister.

Advisory boards would be of utmost value in overcoming this situation. Such boards should have very specific guidelines dictating their role. The amendment we are considering does not go far enough. There is only provision in the legislation for the appointment of advisory boards. There are no guidelines in the bill and we will only see advisory boards appointed if the minister deems it necessary. He is authorized to pay them but, in my opinion, this legislation should contain guidelines. Advisory boards should be appointed for a specific purpose and guidelines provided. None of this is set out in the legislation before us.

Our party tried to have this included in the legislation, as did the Conservative Party, and some Liberal members tried to get the matter reconsidered. It is unfortunate that the minister and the government did not see the benefit of including it in the legislation.

Bill C-48 is largely an effort to rule by regulation. Other concerned members have expressed the view that the Government of Canada is governing by regulation, by cabinet decision not involving the decisions of the selected representatives and not involving the participation of the people.

By governing by centralized power and by a very centralized bureaucracy, I hope the government will realize it is losing touch with the people, that it no longer has relevance. It is very concerned about its image and about federal input into projects. It is a big concern for them, and we see that by the advertising budgets they use in trying to get at that problem.

The real dilemma is that the government has left the people. It sits here in Ottawa and makes decisions about over-all budgets, but in the rural areas of Canada the federal government is an obstacle to the way of life. There rural Canadians can no longer relate to their government. During the past week there was a small group of people here trying to see a cabinet minister, trying to talk to someone who affects their lives. They had a difficult time even getting an appointment. Some ministers are open and make a tremendous effort to see these people but others keep their doors locked, both here and in regional and district offices. The right to make decisions in the community has been removed totally. The right to provide meaningful input into the decision-making process has been virtually denied. The whole concept of centralizing the bureaucracy and governing by regulation has created great havoc in this country. Advisory boards which would represent major interests would go a long way to making Bill C-48 more palatable and more meaningful to people at the local level.

I question the goals contained in this bill. It has been said here that this legislation will not, in the final analysis, meet the needs of Canadians. We will be pouring enormous amounts of money into megaprojects that will just create enormous profits for the oil companies. There is great fear that those megaprojects will draw money out of Canada.

We have been assured by the minister that his intentions are honourable. His goals may not be clear, but certainly they are

there to benefit Canadians. But he will not put those guidelines in the bill, he will not include anything that Canadians can hook onto. We fought tooth and nail to get an advisory board on industrial benefits that would bring together industry, labour and government into a forum that would meet regularly to exchange information. Many people in industry wanted to get involved but had no idea what was going on. Labour, a major component of the Canadian economy, consulted individually, but there was a real need for a solid advisory board to ensure that industrial benefits came into Canada. The minister refused to accept the concept.

The measure before us goes a small distance toward allowing that advisory boards could be appointed, but we need those guidelines spelled out. We should set up advisory boards to provide meaningful input into government so that the decisions they make are relevant to people who live in Newfoundland, B.C., or Nunatsiaq. These advisory boards are absolutely critical. They would involve local people in decision making and give them a sense of participation in government.

Unfortunately, members of the government have been pushed east of the Red River. If things keep going as they are, we will see them pushed right out the other end. People do not see the reason for the decisions which have been made by the bureaucracy, nor do they find them helpful. I know this is not the intention of hon. members opposite. I have talked to them about these problems. They are aware of them and are sympathetic but somehow there is slippage and when these decisions are made, people do not identify with them. The people do not identify with the goals that are set, nor with the decisions that are made. They really resent the removal of decision making from their communities.

There is still a chance that we can deal with significant amendments and include the question of advisory boards. I think it would serve the government well in terms of its long-term interest. It would certainly be of great benefit to the people in Canada living in small communities which stand to be affected by this legislation.

I would like to say a few words about patronage, too, because it is a very interesting subject. I suppose the intended goal of patronage is to reward people who have served an organization for a long time or who have been influential and helpful and to have a political ally on those boards. Governments often do not have to worry about defection or anything else. One tries somehow to balance the question of qualification and patronage. However, there is a reaction in the community. I point to Spadina as one of the things we all look on as a colossal blunder in terms of patronage. What was the justification for removing the elected representative? I suppose in the final analysis it was a victory for democracy, which I have heard some hon. members suggest.

• (2030)

Mr. Peterson: Order. Relevance.

Mr. Skelly: This is relevant in the sense of patronage on advisory boards. I hate to test the patience of the hon. member opposite, but the question we have to ask is whether, when those advisory boards are struck, they are really doing themselves or anyone else a great favour through the patronage appointment. I refer to the blatant appointment of someone on the basis of his political attachments rather than his qualifications and commitment to good decision making in the community. I urge hon. members opposite to do whatever they can through the normal channels of this government to make sure that what happened in Spadina does not happen to the advisory boards because they would be totally ignored, laughed at and scoffed at by the people in the community as being irrelevant and not representing their interests. There would be further alienation, and that is not healthy for anyone. It would break this country into a group of regional bickering individuals rather than making it a united country. It goes back to advisory boards and the question of input.

Patronage is extremely important. The Minister of Supply and Services (Mr. Blais) has had some experience with patronage in the conducting of the census, and that blew up all over the block.

Mr. Blais: It worked very well.

Mr. Skelly: The minister should check in some of the communities to see how the next census goes, unless he makes some modifications. He will find out how well it went. However, I doubt whether the minister will be here for the next census. At least we can hope.

Mr. Blais: The turnover over there is a lot more rapid than it is over here.

Mr. Skelly: There is not much left west of the Red, and there is not likely to be much left east of it either. Remember Spadina.

We should be looking at specific advisory boards. The legislation should mention advisory boards on the environment. It is vitally important that organizations committed to protecting the environment have a forum in which they can meet regularly with government and with industry and talk about the problems facing it. As time goes by, those advisory boards on the environment would be extremely important and would provide a tremendous service in terms of input on prevention and specific knowledge of the areas involved. Specific knowledge of areas involved is critical. The bureaucrats in Ottawa do a good job. They work hard and are committed, but they do not know what it is like down in the small communities in the mud and the blood. They do not know what it is like trying to get by.

I want to use a small example of how an advisory board or how even decent consultation in the town of Comox would have helped. One day a bureaucrat in Ottawa was drawing a map of the town of Comox to show what the zoning was around the air base in order to protect the airways. That was a very intelligent move. It is too bad it was not done 20 years ago before build-up occurred on the flight paths. The bureaucrat forgot to use a topographical map which showed Comox was on a hill. Consequently, his flight path protection area was

about 60 feet below the level of the ground, nobody could obtain building permits and they could not register anything in the land registry office. Had there been consultation or advisory boards, or had some local decision making been requested, that would not have happened. The key to that is a specialized knowledge of local areas, and good, solid consultation is absolutely vital. Eventually the government managed to straighten out the Comox problem before an enormous hardship was caused, but there are several other major problems there because federal government planning is done in Ottawa.

The federal government rides roughshod over local communities. If there was an advisory board and a consultation mechanism in place, that would not happen. There would be good, solid decision making which would affect the lives of people in communities in a positive way instead of an edict coming down the wrong way which is misunderstood or misapplied. Communities see the federal government as an opponent rather than as a facilitator which assists people in making better use of their lives.

An advisory committee on the environment just makes damned good sense, and it is unfortunate it is not provided for in the bill with good guidelines set down. It would protect everyone.

Miss Jewett: But they don't really want it.

Mr. Skelly: I think they do want it. I see them as just being on the wrong track. They have good intentions, but they are on the wrong track which does not lead to the goal. Perhaps I am too naive. There is the odd one over there who is good, I have to admit that, but good for what?

In view of the consultation process with respect to native people, we have seen over the years that an advisory committee is vital. The technique of the government is to divide and conquer. I realize the federal government has been harried. It is not an easy job to balance resources against need.

Mr. Ittinuar: They want to prove they are more powerful than nature. They want to spill oil on us and kill us.

Mr. Skelly: It will be interesting to see what happens when one of those seabed pumping stations under the ice in the Arctic lets go. We are all concerned that that does not happen. We on this side, on that side and everywhere are concerned. It is the route to the goal that is vital. Hon. members opposite have definitely chosen the wrong route. Many of the people of Canada feel that way; witness the present popularity of the present Minister of Finance (Mr. MacEachen).

The question of native people is vital and a matter of great concern to me. Many of the people in my riding will be affected by the policies set forth in this bill. If we were to set up an advisory committee of native people, that committee would give us a good, sound basis from which to work with respect to this bill. Such a committee would give us a basis for decisions that would be relevant for their communities and, in the long haul, relevant for all Canadians. But no way; we go back to the old standard game of divide and conquer. As a result, nobody gets anywhere. We do not get together as a group to re-establish a greater sense of community. We are back to the old adversarial system of the government against the people. Frankly, it would be a tragic mistake to continue this. An advisory committee would be a mechanism by which we could move away from it. There is nothing to fear; the input from people and the dialogue which would be established would be extremely positive.

The situation is the same with respect to northern people. In the north there is a very delicate social and economic environment. There is a great fear that we are watching the gold rush all over again. The industry roars into the Arctic and strips it of its resources, but somehow the benefits do not stay with the northern people. An advisory committee on the north is a good idea and would provide enormous benefits.

The last thing is the industrial benefits approach. This matter has worried me a great deal. There were enormous battles in the committee and, to the credit of the government, it moved. It feared desperately that its GATT partners would do it some dirty deed if it attempted to write into the legislation mechanisms to ensure that Canadians share in the benefits and that employment opportunities are launched in Canada. The government did run into difficulty but it did come forward as the bill progressed and made a suggestion, to its credit, with respect to constructing the equivalent of the British offshore supply office. Certainly the resources allocated are limited, but the one thing that is vitally important is an industrial benefits advisory committee. Even if it does not appear in the legislation, such a committee should be struck.

The labour movement must be a part of the decision making. It is a major player in the Canadian economy. The federal government, through the Department of Industry, Trade and Commerce and the Department of Energy, Mines and Resources, and the provincial governments must attempt and struggle to get the regions of this country working toward economic benefit.

The whole process of communication is vitally important. The government and the industry must exchange information. The government must be advised correctly with regard to positive benefits and with regard to the ways the Canadian industry can develop to meet the needs and to ensure that the benefits stay here, not as happened in the case of Britain, Norway and some of the others which started late and with inefficient mechanisms and which provided the benefits to the United States.

● (2040)

In spite of the fact that the amendment is weak, that the bill is very weak in this area, there is still an opportunity for the government to go forward and set up advisory committees. I certainly urge them to do so. It would provide better contact between the people affected by this legislation and the government which is attempting to implement it.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion No. 5 (Mr. Lalonde) agreed to.

Mr. Stan Schellenberger (Wetaskiwin) moved:

Motion No. 6

July 10, 1981—That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 5 by adding immediately after line 44 at page 5 the following:

"(8) No land or oil or gas interests relating thereto shall be withdrawn or withheld from negotiation in the settlement of any claim, right, title or interest for any reason other than the creation of a national park in which all natural resource development is prohibited."

Hon. J.-J. Blais (for Mr. Lalonde) moved:

Motion No. 20

July 10, 1981—That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 24 by adding immediately after line 12 at page 15 the following:

"(4) Where the minister is satisfied that a commercial discovery does not extend to any Canada lands subject to a production licence he may, by order subject to Section 56, exclude those Canada lands from the area subject to the production licence."

Mr. Schellenberger: I have difficulty knowing why we would debate the two motions together. I do not see the relevance between the two motions. I will now speak to my motion.

What I am proposing in this amendment to Bill C-48 is to make it clear in the law that frontier lands, Canada lands on which oil and gas discoveries are made, are not exempt from native land claims. Many have said that under certain amendments contained in the bill this is done. Given the non-definition of aboriginal claims, I suggest it is not distinctly clear that Bill C-48 would cover any lands subject to claim by native people, given that certain discoveries are made on those lands. Native people have reason to question the government's good faith with respect to land claims. They question this because of the government's record. The claims in the north have proceeded very slowly. I can look at the Dene land claims and the COPE agreement as an example of this. They have been working on these agreements for a number of years. They are really no further advanced as far as the settlement is concerned.

Then we look at the first modern land claim agreement, the James Bay and Northern Quebec agreement. As was pointed out in the Committee on Indian Affairs and Northern Development this year, which resulted in an inquiry being conducted by the Minister of Justice (Mr. Chrétien), that agreement has not been adhered to in good faith. According to the law read by several legal people, perhaps it has been adhered to; but as far as an agreement made in good faith is concerned, it has not been. It has affected the health of the native people in the north. Many of the benefits that should have been accrued from moneys that were put aside in that agreement have not come forward.

The natives are justifiably concerned about the future of their aboriginal rights, especially after the constitutional resolution that was proposed. For the first time, aboriginal rights are being defined by the federal government, the provincial government and certain native people who shall be appointed by the federal government. It is understandable that a great deal of concern exists among northern natives about their future, about their unresolved land claims and about the benefits they should receive from the exploration of oil and gas in the north. This is open to question. Bill C-48, if passed, may result in further exploration in those areas.

The aboriginal people of the north are at present gearing up to settle their land claims. At this time, Mr. Speaker, aboriginal title has not been relinquished. The government has, nonetheless, decided to put forward Bill C-48. It is a wide-ranging piece of legislation. Many amendments have already been discussed and some are still in need of discussion. The bill covers virtually every aspect of the oil industry in the north and offshore. In doing so, it will have an enormous impact on the native people of the north.

The other day I was looking at a map of the lands around Great Bear Lake given to Petro-Canada. Those lands are of enormous size. Much of that area is at present open to claim.

Many northern native groups are concerned, justifiably so, that their land claims are in jeopardy owing to Bill C-48. These groups include the Dene, the Inuit, the Council for Yukon Indians and the Métis. They have organized a responsible opposition. Their responsible opposition to the bill was put forward to the standing committee. I was a member of that standing committee. We agreed one day to send members to the northern regions. Most members of this House do not understand the implications of this kind of legislation. The very next day the government rejected travel to the north. Had the members of the committee travelled to the north and allowed themselves even a few days in the north to hear the justifiable reasons for concern from northerners, it would have benefited this House and this country a great deal.

Because the provisions of this bill are to be enacted before the claims in that region are settled, the native people are very concerned that lands subject to claim will be withdrawn from them because of exploration and development. This is a very important concern. That concern has often been brought to me and to other members of this House by way of telegram, by way of hearings before the committee, by telephone and in person. The people in the north seek a voice in developing the lands dealt with in Bill C-48, lands that are under claim by the northern people. They benefit from the resources that exist there. They look forward to this development. They realize that, to a large extent, their economic future depends on the development of the land. They look forward to the jobs that may be created and to the wealth that will adhere to these people, should oil and gas be discovered in that region. There

is also concern about what might happen to their cultural well-being if, as a result of this bill, they lose any rights to the land.

I should like to repeat to the House a statement made by a witness who appeared before the standing committee. I am sorry I do not have the exact quote from the committee's proceedings. He said:

● (2050)

To us, an aboriginal rights settlement represents the means by which we intend to regain control over our own destiny while remaining an integral part of Canadian Confederation. This must mean the ability to influence the pace and direction of development in our region so that our institutions and values are not overridden by rapid resource exploitation. It means equally some measure of access to the revenues which will accrue from developments which take place on our lands. It means also the right to determine the kind of developments which take place on our lands and to prevent adverse impacts on the peoples and the environment of the North from oil and gas developments.

I suppose that statement says it all. First, it indicates a concern about the pace of development and how it affects claims. Second, it indicates a desire to participate in some of the wealth, a matter which is not addressed in the bill. No trust funds have been set up to allow native peoples to move forward politically and economically and thus benefit from any oil and gas which may be taken from this region. Surely that should be a concern of government and of members of Parliament. The only basis for development which the north has at the present time is the resources which may be taken from those lands. This was said before the committee by the witness. Third, he indicated that northerners want to determine the pace of development to some extent, which is one of the reasons why members have brought up the need for advisory boards. Because there is a complete lack of assurance in this legislation that these people will have any influence over the resource development of the lands of the north, and because they fear this will not be negotiable once development is begun, native groups are understandably deeply concerned by the implications of Bill C-48.

I recall that the COPE negotiations were going on, oil and gas exploration in the Beaufort Sea was allowed, and immediately these lands were withdrawn from negotiation by government negotiators. Perhaps there was no legitimate claim, but at the same time it was an example of the reason for the great concern about this legislation in the north.

There is also a feeling among native groups that Bill C-48 makes a mockery of so-called aboriginal rights contained in the proposed Charter of Rights. By virtually ignoring aboriginal title, the bill would seem to deny its existence despite the support given it in the charter, even though the definition clause is open to a great deal of question by native peoples.

The conflict is obvious and is clearly a cause for concern. It is because of the concerns of native peoples that I have put forth Motion No. 6. While it is true that nothing in the bill indicates that the drilling of oil or gas wells means that the land is ineligible for claims or settlements, problems may well arise. I have given some reason for that in referring to the COPE agreement and its development. The concern is there. This is why I believe we should put something positive in the bill so that native people need not fear the removal of certain lands due to the striking or finding of oil or natural gas. The activity occurring afterward will necessarily involve interests competing with those of native peoples, so a claim will be much more difficult to settle. Such land might be deemed ineligible for the negotiation process. Harry Daniels of the Native Council of Canada before the committee said:

Once the drill rigs are up and production centres on the drawing boards and approved by government, there will be no turning back. Do you really think that under these circumstances the government would withdraw these lands?

The amendment I propose is a simple one. It reads:

No land or oil or gas interests relating thereto shall be withdrawn or withheld from negotiation in the settlement of any claim, right, title or interest for any reason other than the creation of a national park in which all natural resource development is prohibited.

I believe this type of protection is essential. It means more than any other amendment which has been proposed so far by the government for the protection of native peoples and their claims in the next few years. It is essential to entrench in this bill the right of natives to negotiate in respect of any land to which they believe they have a claim, regardless of its resource potential. This amendment is put forward in good faith, to protect legitimate land claims. Certainly I hope the government will consider that it has some merit and add it to the bill as it now stands.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, with regard to the motion of the hon. member for Wetaskiwin (Mr. Schellenberger), I think there has been some confusion because the motion appears to be designed to ensure that no land or oil or gas interest relating to that land may be withdrawn or withheld from land claim settlements in northern areas. There has been a misunderstanding because the purpose of clauses Nos. 5(2) and 5(3) is to allow the withdrawal of lands from the Canada Oil and Gas Act. As the hon. member mentioned, these lands would be withdrawn from the purview of the act to establish a national park or in the event of a claim settlement with a native or aboriginal group, for example.

The purpose of the clauses to which the hon. member's motion refers is in no way to allow the government to withdraw lands from negotiations with regard to land settlement with the native community. In fact it is the opposite. For example, if there is such a settlement or the intent to establish a national park, these clauses allow the government to withdraw the land from the purview of the Canada Oil and Gas Act to facilitate precisely the negotiated settlement or the creation of the national park. I think there has been a misunderstanding. This is why the government will oppose this particular motion.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I listened with some interest to the hon. member for Wetaskiwin (Mr. Schellenberger). I want to say on behalf of my party that we will support his motion. I welcome the motion; I think it is a very well-intentioned one. But I might say it is somewhat

innocent and a bit vague. I am not trying to be a rigid ideologue, as I was called a few minutes ago, or someone who professes to have all the answers, because we do not have all the answers. The minister said that this bill is not neutral with respect to land claims. That is absolute nonsense. To parade that statement around the country is ridiculous and misleading. The minister should know better.

The motion and the speech of the hon. member touched briefly upon the problem with this bill. How can we have development of the north, go ahead with physical development, and be neutral toward a claim over the physical environment, the pace of development, the social impact, and all these kinds of things? The Conservative party attacked this bill by indicating that it gives the minister too much discretion. If the hon. member looks at it, he will see that the minister's discretion is very rigid. We looked at this as we tried in committee to make the bill more neutral to native claims.

First I should like to indicate why we wanted to make it neutral toward native claims. On this side of the House we are convinced that settling the native land claims is the only way that we can begin to give native people their rightful place in this country so that they may become real partners in this development. They should not be left out of this bill.

● (2100)

You will recall that when I spoke this afternoon, Mr. Speaker, I mentioned a native person standing at the side of the road and a truck going by. That is the image or the symbol of past development in this country, and I know that the hon. member opposite wants things to be different.

I should like to elaborate on what I mean about the discretion being rigid. There is provision in the bill that the minister can deal with the Crown's share. He can give it to a government organization like Petro-Canada but he cannot give it to a native development corporation, an aboriginal corporation or a local corporation in the north. There is no such provision in the bill.

I have said before that the bill is not neutral and I want to say something more about that. There will be physical development but that is not neutral. As development is speeded up, it will have an effect on the environment and that is not neutral. It changes things; it has an effect. There will be social impact as development advances and that is not neutral; it has an effect. To say that the bill is neutral is just absurd on that physical level. For example, there is no mention in the bill of giving the native people any part of the royalties, nor is there any mention of giving them equity in the development. There is no mention of giving native people or the northern territorial governments any rights of revenue sharing. If the territories are to become provinces and we would like to see that, and if they are going to take their place in Canadian confederation—

Mr. Nielsen: When?

Mr. Waddell: With respect to the Yukon, I would like to see it take place as soon as possible.

If all that is to come about, then there has to be a basis for it, but there is nothing in the bill to give native people a role. There is no provision for them to sit on an authoritative decision-making body—not just a token advisory body but one that would decide what the environmental clean-up would consist of or a body that would decree that there would not be development around a certain town because it was countrary to the needs of the native people. That is real power, but instead the power will all be in Ottawa with the Department of Energy, Mines and Resources. If the government were really serious, however, that is the kind of power it would give to the native people.

What does the government propose to give to the native people? It proposes short-term employment for about 10 per cent of the population, and when the development is all over, they will again be standing at the side of the road as the trucks go by.

We in this party support the motion, Mr. Speaker. I hope that members of the Conservative party will challenge the Minister of Energy, Mines and Resources (Mr. Lalonde) on third reading and demolish his weak argument that this is a neutral bill with respect to native land claims and native rights. It is not; it is a contradiction of Clause 34 of the Constitution Act and sooner or later—it may take a long time but I hope the day will come—the government will realize that.

Those are some comments from this side of the House regarding Motion No. 6, Mr. Speaker.

Mr. Albert Cooper (Peace River): Mr. Speaker, the bill before us tonight is a very important one. It sets out the regulatory aspects, guidelines or game plan for the oil and gas exploration and development in the north. Certainly what happens in the north will have a significant impact on the future of our country.

I am concerned about the bill in its present form because I really believe it lacks several serious and important elements, one of which is consideration of the impact it will have upon the environment. I spoke on that matter briefly the other night and it has been debated to a certain extent today.

I am also concerned that the bill fails to adequately consider the impact that oil and gas activity will have on people who live on the Canada lands, because it fails to consider the rights of the native peoples who have lived on those lands for generations. As it stands, the bill does not make provision for the aboriginal rights of the native people to dwell on those Canada lands north of the 60th parallel. There is no reference in the bill to claims that might be negotiated after it is enacted, and I think that could be a very dangerous omission. The land claims that exist today are far from being settled; in fact, for some native people the process has just begun. The government did not see fit, however, to include a provision in

the bill to protect the claims of the native people. We may wonder why those provisions were not made and we may doubt whether the government has any real concern for the native people who live on the Canada lands.

As the bill reads at present, only claims settled prior to the enactment of this legislation would be protected, but obviously, Mr. Speaker, that is not good enough. We must have some form of written guarantee that lands under development would not be left out of any future negotiations. Although there is nothing in the bill that exempts developing lands from land claim negotiations, it is unlikely that the federal government would be willing to negotiate when the drilling rigs are actually in operation and when matters have proceeded from the drawing board to the oil patch.

The government has not demonstrated, so far, that it is willing to consider negotiations on the land claims. I think that gives us reason to believe that once the activity has begun in the north, it is unlikely that the government would be willing to listen. We can see that it has very little concern for native problems and it will be less likely to listen when activity has come to a head than it is now.

Motion No. 6 which has been placed before us by the hon. member for Wetaskiwin (Mr. Schellenberger) is very specific and important. It begins to deal directly with the problems created by the bill before us. I should like to read the motion into the record again because it is important and deals with the problems that we may face. The relevant part of the motion reads as follows:

No land or oil or gas interests relating thereto shall be withdrawn or withheld from negotiation in the settlement of any claim, right, title or interest for any reason other than the creation of a national park in which all natural resource development is prohibited.

This means that the concerns of the native people will not be pushed aside and forgotten once exploration has begun. Lands that are under development will not be exempt from any negotiations for aboriginal rights.

I firmly believe that this amendment must be included in the bill, Mr. Speaker. The guarantee for the protection of native rights must be provided and there must be a guarantee that the natives will have an opportunity to pursue a fair and just settlement of their aboriginal rights. Without this amendment and the guarantee, I really believe that native claims will be prejudiced. This is particularly important now when we are at such a crucial point in the negotiation of land claims.

● (2110)

Up to date, negotiations with the government have proceeded very slowly; in fact, negotiations are, to a large part, not yet under way. For example, if we look at the Mackenzie Valley, we find that the federal government has not yet even named a negotiator to continue negotiations in that area. It is clear that they would rather see the possibility of further negotiations, just tossed out the window. Last year, the government finally began to look at settlements on part of the land, the lands that we are discussing tonight; but, again, we see a bit of a dirty pool game going on there, because as negotiations were beginning, so were the hearings on the application to build the Norman Wells pipeline. Does that sound like fair play? Does it sound like an earnest attempt to settle outstanding land claims?

It is no wonder that natives fear for their future and for the future of their children, because this bill does not give an indication that the government remembers them or that it considers their rights. It just seems to clearly demonstrate the lack of concern of the government for our native people. That lack of concern of the government is not new. In fact, back in 1969, the Prime Minister (Mr. Trudeau) said:

I think that all of us feel a sense of guilt, not so much toward the Indian as toward the fact that we have not addressed our minds to this problem.

That was 12 years ago; and in 12 years, the government has not seriously or genuinely addressed these concerns. Is it not now time to address it? If the Prime Minister was really feeling that guilt 12 years ago, then why are we not seeing some action taken now, if not in the past 12 years? I do not think we can afford to ignore these concerns any longer, because native concerns are not like some problems; they will not simply disappear. They will not disappear until native rights on Canada lands have been settled. That problem will not go away. We should not let the government just push them out of the way and push them out of our areas of concern.

Through history, there have really been very few assurances that the government is concerned about these problems. These people have always been pushed around. They have always felt as though their rights have been ignored. Then, suddenly, a little while ago, along came the Constitution and the Charter of Rights including, in particular, the entrenchment of native rights. Suddenly it seemed as though there were some kind of a positive step, because the government was finally willing to notice these concerns and it was finally willing to stop ignoring our natives.

Then along came Bill C-48. All of a sudden we had a mockery of that whole Charter of Rights. We see that the intentions there were, in fact, very hollow. The principles of Bill C-48 run exactly contrary to the principles which were outlined in that charter. In fact, the bill goes even further than that, and contradicts the principles which were laid out in the National Energy Program. The National Energy Program indicated concern with the impact of resource development on native peoples and northern Canadians. I would just like to refer to one particular part of that program. It reads:

There will have to be assurances that the interests of the residents of this region are protected, and that they have the opportunity to play the role they desire in these activities. The native residents of the region seek—legitimately—more say in the decision affecting energy development, and claim—rightfully—that they should enjoy more of the benefits, and fewer of the costs, from northern resource activity.

It sounds good, but there are an awful lot of hollow words and empty promises, because not very long after the introduction of the National Energy Program, along came Bill C-48 which clearly contradicts the generous and positive sounding claims that we saw in the National Energy Program.

So, where are we? What are we to believe? Are we to believe that the government is truly interested in people, such as those we are dealing with here, and their rights, as was apparently demonstrated in the NEP and the Constitution? Or should we, in fact, be paying much more attention to the actions of the government, and a whole lot less attention to its words? I think that Bill C-48 clearly shows us what the government is up to. It clearly shows us that its interest is really in disposing of rights and concerns. It has demonstrated very little interest in aboriginal rights. I doubt whether it has ever had any real interest or whether it will ever have any real interest in the end. A Toronto columnist, Mr. J. B. McGeachy, had this to say about the matter:

> We sing about the north, but we live as far south as possible.

Coming from a part of Canada which is in the north, that is a familiar tune to me, and it is one that I can clearly identify with. This government does sing about the north. It sings about the resource potential, and it sings about development which is possible in these vast lands; but, as this columnist has pointed out, it somehow wants to stay in the southern part of Canada. It only wants to reap the benefits. It does not ever want to set foot on these northern lands.

When we were dealing with this bill in committee, it was proposed that we visit the north; in other words, that we go into this area to discuss with the native and aboriginal people their concerns on their own home base. The government was not interested in that and, as a result, we ended up not going north.

The reversal of that decision really exposes the raw bone of blatant disregard for native concerns that we have seen from this government. It has demonstrated no concern for the people, no concern for their culture, and no concern for the political development of the north. The only interest which seems to be demonstrated is to take as much as possible without giving anything in return. I wonder if it is any wonder that the natives do have a fear for their future. I wonder if it is any wonder that they do mistrust the government, a government which seems to rule from an armchair, thousands of miles away from the problems and from the reality of the situation.

The native people have a real and just cause for fearing exploitation because they have been exploited and they have been given the raw end of the deal. I think that all of us have tasted the bitterness of exploitation. We have all known, to some extent, the feelings arising from rights being taken away when we were too helpless to fight back. These particular people have tasted that bitterness of generations. For generations, they have known the government as an agency which is far away, an agency which knows little about the real problems, and an agency which does not care and which cannot be trusted.

I think that all of us would like to believe that we live in some sort of an enlightened nation, one which operates under democratic principles, where people are equal, and where all people are given the same basic chance. However, when we look at this bill, we find that it is nothing more than an illusion. We really begin to see the true intentions of the government because it continues to exploit these people, it continues to ignore their concerns, and it continues to infringe upon their rights.

People of the north have been subjugated to the status of a colony for a long time. By enacting this particular piece of legislation, we only confirm that status. The irony of that whole process is that we are now hearing lots of talk about bringing home our Constitution from Britain to erase any hint of colonialism from our relationship with the United Kingdom or with Britain. The irony is that while we are erasing the colonialism from the past, we are confirming it in the present and entrenching it in our future.

Mr. Nielsen: Good point.

Mr. Cooper: As this bill stands, unamended, it will only confirm the permanent status of the north as a colony.

Mr. Nielsen: Good point.

Mr. Cooper: It will be an area which will continue to be exploited. We must introduce provisions to allow people to rise eventually above that status of a colony. We must allow them to participate in the development of their lands, and we must allow them to benefit from the natural resources which will be extracted from those lands.

Mr. Nielsen: Right on!

Mr. Cooper: In short, we must allow them to enjoy the freedoms and benefits enjoyed by us; freedoms and benefits taken for granted by Canadians living in the southern parts of our country.

Mr. Nielsen: Even Halifax.

Mr. Cooper: Native people must be given a chance to negotiate with the federal government because these people have never really pushed for their rights on Canada lands. Traditionally, this land has belonged to them and at present it belongs to them. They dwell there, and they have made their homes there for generations upon generations. If the government is truly interested in negotiations, it has to show that interest. It cannot jeopardize in any way this negotiation process. The government must show its interest in coming to some sort of a solution before oil and gas activity begins out there and before it is too late for natives to have any say in the development of those resources.

I believe that if this bill is passed as it stands, those rights will be prejudiced. Effectively, the rights of natives will have been swept under the rug. We will see nothing more than what we saw in committee, which was a power play by the Minister of Energy, Mines and Resources (Mr. Lalonde). I believe that it is dangerous to designate lands to oil and gas activity before provisions have been made for further negotiations and before a meaningful solution to this problem is reached, because going ahead like this does not bring native rights any closer to any kind of settlement. This kind of action contradicts the

Charter of Rights which the government brings forward so proudly. It makes a mockery of everything that we as Canadians like to believe we stand for. If the bill is passed without the provision, the natives will lose forever their right to regain control over their own destinies. They will lose the chance to gain the revenue from developments that will occur on their own lands. I believe this proposed amendment must be included otherwise our native Canadians will never enjoy the full benefit of Canadian citizenship.

● (2120)

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I want to participate by commenting on this area of concern. I have read the provision which the hon. member for Wetaskiwin (Mr. Schellenberger) has carefully put forward. Very clearly, the principle put forward is completely acceptable. It is a questionable practice to allow the exploitation of resources to go ahead before dealing with the fundamental issue of who owns the land. Maybe the problem is with the drafting. As the parliamentary secretary to the Minister of Finance (Mr. Evans) has said, there is a problem in drafting the legislation. But whatever it is, the key point is the principle. That principle was hammered home time and time again in committee. The government felt that it had protected the future or the existing interests as more information became available through detailed study. But clearly, nobody except government members accepted that position. Again, it was a discretionary matter. We were told by government members that a clause was included in the bill to ensure that after exploration, after the production facilities have been put in place and after we see what the social and environmental impacts there are, and perhaps even after the resource has been exploited and exhausted, it will still be possible to come back and make a claim. That is rubbish. I cannot find anyone who would accept that concept other than the government. I think the government is fooling itself, but it is not fooling anyone else.

This is very difficult, and there is definitely a misunderstanding, as the parliamentary secretary suggests. But I think the understanding is on the part of the government. There is a desperate need for some action on this particular land claim provision in the bill. We cannot allow alienation before some firm commitments are made. As my colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell), has said, this bill is not neutral. It does not adequately protect the interests of the native people of Canada in sharing or participating in the development. The establishment of the land claim is extremely difficult.

We talk about the north. There is a lot of activity in the north now. The northern people are trying to work out claims. They are negotiating positions, and so on. But we must also take into account the west coast where things are very different.

The native people who live on the west coast are at various stages of development. Some very sophisticated bands have worked out land claims. They have attempted to define their interest in the lands on the west coast and have presented it to the government. The process is moving very slowly, whereas the development of oil and gas offshore on the west coast is moving much faster. The technology is in place. Procedures will evolve much more quickly than the native people can deal with it, unless the government specifies in the legislation exactly what it is going to do to protect their interests.

The west coast is unique. The native people who live there have an interest in the land and the sea from which they try to make a living. Most people there are committed to living on government welfare. They do not like it. They have been alienated from their land already. I would have a hard time expressing it better than the previous speaker who suggested that for 200 years we have inflicted a totally colonial regime on the native people, and that this particular bill and its intent confirms it for the present and entrenches it for the future. It could not be said better.

On the other hand, I think the opposition members in this House, together with the native people, particularly those in the north and on the west coast, are determined to break that colonial status. They want to share adequately by defining their interest in that area and by having the government acknowledge it and provide action in good faith. The land is of interest and so are the forest and mining resources. But we must not forget the sea. The native people of western Canada have a long tradition with the sea in the area immediately adjacent to the west coast. Defining that will be a complex problem. The resources in the sea are seriously affected by all this activity. We need a provision in this legislation which stops the alienation process before the land claim is developed.

I would urge members to travel through the native communities located on the west coast. The inhabitants like to talk about the place where they live. They like to talk about themselves and their history. Native people are very close to their parents and their grandparents. Tradition is handed down through generations. For instance, the way the land and the sea is used is locked into an oral history that has been transmitted down through families in great detail and with great consistency. You can travel down a fjord in a boat with the west coast natives of British Columbia, you can pass a point and they will tell you that their ancestors used to live there. They will tell you what they did, but it always relates to the sea. Marine resources are the base of that civilization. The history and mythology of the natives which have been transmitted through the generations really develops a land claim. People, both old and young alike, who live and work out there can tell you all about these people and what they did. History is the base upon which these claims will develop, but it will take a lot of time. There is a great deal of archeological evidence which confirms the oral history, the interest in the land and the marine environment.

Some bands have a very high level of development. They have established land claims and they are working diligently toward defining them. But this is very difficult to do. Some bands do not have even basic means of day-to-day survival. All of their resources are committed to that survival and they are certainly inadequate. They do not have resources to begin to

work out a land claim or to begin to negotiate with the government. But two years from now holes will be punched in the sea bed. There is even talk about exploring river beds. Obviously they are hoping to find oil and gas. What the government legislation proposes is to allow that development to proceed quickly. This would have an impact environmentally, socially and economically without giving adequate protection to the native people who need time to define their claims, to develop their resources and so begin to negotiate with the government. That is a big mistake. We have heard from the native people, from opposition members, from church groups. In fact, a whole range of people in the Canadian society have brought the concerns of the native people forward. But the government has said, "Enough, discretion is all right". The government says to us, "Trust us, it is in the mail." But that is simply not good enough. This is a very complex area in respect of which the assurance of the government is needed. We need an assurance that the government will recognize the principle put forward in the previous member's motion. If the government had come forward and opened up in a forthright manner, a lot of the delay this bill has seen could have been avoided. That delay could have been avoided by a statement of principle and a clear expression of the government's intent.

● (2130)

Let me give you an example. We who worked in that media unfortunately had to resort to a filibuster and to delaying tactics. This was extremely hard on everyone, including government members who had to sit there and listen. But our goals were very specific. The investor benefit section was vital. We needed some definition. The government had a program all along. We asked them to hold a closed meeting if they were afraid the information would get out, but to let us know in that way how the government intended to provide protection. We wanted the government to show us some developments or mechanisms such as the British offshore supply office. We wanted the government to put this into the legislation and to do something specific rather than just to ask us to trust it. First, we cannot trust the government, and history would indicate it is often going in another direction.

After weeks of battling, by gosh, the government said, "Okay, you win. We will have an in camera session". It was good. However, the government just would not express the principles to be used or demonstrate the mechanisms so that one could have some confidence that Canadian interest would be protected.

We face the same thing here with this motion. The drafting of the amendment may not be the best. There are certain aspects that I would question, but on the other side of the coin there is the vital principle that the government must do more because this whole question of trust is lost. There is nothing in this on which the native people can hang their hats. We want a definition because too much has been lost in 200 years.

I would guess, casting my mind back a bit in history, that the west coast in British Columbia was run by three Indian chiefs; Tatoosh who lived at Cape Flattery, Wichininesh who lived in the old Nanaimo-Alberni riding at Long Beach, now the federal park, Pacific Rim, and another chief, Maquinug, who lived at Friendly Cove. They ran the west coast of Vancouver Island. The descendants of the Hilson people were here today trying to talk to ministers of the Crown. Reputedly, their ancestors travelled from Hawaii and Polynesia. They lived in a community called Waglisla. The sea is the resource that supported all those people. There is a tremendous history of the native people in western Canada. There is a long relationship with the land and sea, and there is a belief that if we give the native people an opportunity, they can define, substantiate, share and participate, as the rest of us hope to share and participate, in the benefits of those resources.

The colonial system that was imposed on them from the time of Cooke and Alexander Mackenzie and the others who came was very clear. These native people lost their access to the forests to the major forestry companies; MacMillan Bloedel, Dorman, Rayonier and IT & T. All of them now own the forests of British Columbia and the Indian people have been dispossessed. The Indian people used to have a large number of fishing vessels, but Jack Davis and subsequent ministers have taken away those vessels, and now most of them are on the beach. The wealthy white men from other walks of life, the moonlighters and interlopers, have now taken the fishing industry away from them, and the native people are now on the beach. They have lost their resource base; they have lost access to the sea. The Indian people have lost access to the forest. The provincial government has cut them off from their traditional resource base. Their actual reserve lands on which they live have been cut down.

An hon. Member: Jack Austin will get it back for them.

Mr. Skelly: He has still yet to prove himself, and I am hoping that the uranium cartel will not impede his opportunity to contribute to the native people. I say that seriously.

The key in all of this is recognition by the government that the native people have a claim to those resources. The problem is that the exploitation, development, the infrastructure, the commitment of the resource and the exhaustion of the resource, will have taken place before the bands are even able to define their claims. I defy the parliamentary secretary to get up and tell me how, once this is all in place, they are going to participate. He suggests the situation is incredible, but quite honestly these people do not believe the government any longer.

The hour is growing late, but the issue is certainly no less serious. Perhaps the point has been made. Clearly the motion is worth while and worthy of support in view of the fact that there is nothing from the government in this bare bones legislation which provides a guarantee against dry holes, oil spills, with moneys and benefits going elsewhere, with the native people left with open mine pits, clear-cut forests or possibly a destroyed marine environment on which their entire livelihood is based.

In terms of the delays the government has experienced with regard to this bill, it would be interesting to have one govern-

ment member, perhaps the Parliament Secretary to the Minister of Finance, who I know is vitally concerned about this issue, stand up and acknowledge the principle. Perhaps these amendments are not drafted in the way the government would exactly like them, but certainly the underlying principles are vital. The provisions in the legislation are clearly not adequate. We have the old story that there is too much government regulation, too much centralization and too much discretionary control, and without these provisions the oil companies with the louder voices will eventually shape policy at the expense of other people.

I see that my time has just about expired, Mr. Speaker, but I would certainly invite the parliamentary secretary or anyone else over there who might have some consideration for the native people to make some comment. Thank you.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to support strongly the motion of the hon. member for Wetaskiwin (Mr. Schellenberger), and I hope to prove to hon. members on the government side why they too should support this motion, particularly if they are sincere with regard to that which is already in the bill.

Let me refer to the motion which would add, "nothing in this act abrogates", and that means repeals or cancels, or "derogates", which means detracts or takes away, from any aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this act. When I read the second paragraph I see that it says the governor in council may by order—not in this House but by order—for any purpose or any condition set out in the order, withdraw from the application of this act such Canada lands as are specified in the order. It is all-embracive. The amendment simply states that any claim or interests the aboriginal people have will not be withdrawn; that is, the lands will not be withdrawn. How can the government refuse to support that amendment if it believes in that which already exists in the bill? If Section 2 is to become all-embracive and have power over the other sections because it comes before, then there is a very serious and severe contradiction in the legislation.

• (2140)

That is not the only thing which disturbs me about this bill. I do not really know what the policy of the government is with regard to our aboriginal people. May I remind you, Mr. Speaker, that prior to January, 1981, the Right Hon. Prime Minister (Mr. Trudeau) was asked to include aboriginal rights in the Charter of Rights by a member on this side of the House. The Prime Minister said that he would in no way include aboriginal rights in the charter unless he knew what aboriginal rights meant, unless aboriginal rights were defined. That is the gist of what the Prime Minister said. In January, 1981, a provision on the rights of the aboriginal people was placed in Section 34(1). It reads:

> The aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

I reiterate, "recognized and affirmed". Now I would like to know if the Prime Minister has a definition of aboriginal rights. I think it is important that he have such a definition because when I started looking into government policy I was astounded to find an order in council which set out government policy in regard to aboriginal claims, that is an order in council dated August 8, 1973, which has not yet been either discharged or denounced by the Liberal government. It is still in force. If it is in force, then Subclause (7) of this bill is meaningless. I will read what the order in council says:

> —the government will negotiate claims and settle claims according to the policy in the Annual Report of the Department of Indian Affairs.

It simply says the government will negotiate a settlement with the Indian and Inuit people who have not entered into treaty relationships with the Crown. These settlements will be based upon the loss of their traditional use and occupancy of lands in those parts of Canada where native rights, based on traditional use and occupancy, have not been extinguished by treaty or superseded by law.

In other words, the government has set out three caveats in that order in council, which is still on the books, with respect to the claims of Indian and Inuit people. The first one is that the government will only negotiate and settle claims based on land and occupancy of land. In other words, the whole culture of the Indian and Inuit people will be ignored unless they live on the land, unless they have already placed a claim on that particular land and occupy it. There is no consideration for negotiation whatsoever. That is set out in law. Consequently, the amendment to this bill will mean nothing. The government will simply point to the order in council of August 8, 1973, which still stands.

What do we mean by aboriginal rights? Aboriginal rights go beyond land occupied. Most Inuit and Indian people, or at least many of them, make their living by hunting and fishing. They do not live on those lands, they hunt and fish on them. They do not occupy them by building a house on them, in that sense of occupation. The rights they had when the white man first came to this land, such as their language, their dances and their political social and economic cultures, all of these are part and parcel of aboriginal rights. They are being ignored in this section. It deals only with land, and even then there is a caveat placed on the land—that they must occupy it. They must have already had a claim to it. I think the Inuit and Indian people should take careful note and find out about this policy mentioned in the charter of rights and find out if it has not already been lost before the charter of rights is passed.

The next caveat set out in the order in council says that the government will only negotiate and settle claims which have not been extinguished by treaty. When the government, for example, negotiates with the Inuit or Indian people for a number of years, it insists that the Indian and Inuit people give up all rights; those held in the past, those they have currently, those they might have in the future, all rights not specifically extinguished by agreement. Well, that is going too far. I suggest that is a caveat the Indian and Inuit people would want discarded before the section in the charter means very much.

There is a third caveat: the government will only negotiate and settle claims which have not been superseded by law. If any government, provincial or federal, since the beginning of this country, has passed any act or bill or order in council taking away a right from the Inuit or Indian people, then the government will not negotiate. They will not even talk about it. Again, I suggest to our Indian and Inuit Canadians that they take a very careful look at all the enactments since the beginning of confederation to find out whether they will have any right to make a claim or even if they can negotiate. What does that piece in the charter say? It says:

The aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

What does the order in council say? It says that the government will not negotiate unless the Indian and Inuit people make a claim and occupy the land. They will not negotiate unless the traditional use and occupancy have not been extinguished by treaty. They will not negotiate if any part of that has been superseded by any law or enactment or order in council.

Where does that leave our Indian and Inuit Canadians? Does this section in our Charter of Rights pull the wool over the eyes of our Indian and Inuit people, in the hope of pushing it through before they find out all these things? I suggest to you, Mr. Speaker, that if this government is sincere in giving aboriginal rights to our Indian and Inuit people, our native peoples, they would define aboriginal rights and denounce and discharge the order in council which was passed on August 8, 1973. If their policy means anything, let the Minister of Indian Affairs and Northern Development (Mr. Munro) or the Prime Minister, or the Minister of Energy, Mines and Resources (Mr. Lalonde) stand up and say that the order in council has been annulled and discharged. They should stand up and say that they will annul and discharge that order in council and they should even pass another order in council that it is no longer the policy of the government. Then the Indian and Inuit people might have some hope of getting a fair and equal settlement. Ever since white men came to this country, the Indian and Inuit people have been exploited. We have not given them an opportunity to develop their skills. Even now our education system does not go far enough. The withdrawal of Outreach funds by the government will have a detrimental effect on the Outreach programs on at least one reserve of which I know in my constituency and I do not know on how many others across the country. The Outreach program of the University of Calgary on the Stoney reserve has done a tremendous job, with the result that young people there have been able to get the necessary basic training to go to university. Some have graduated with degrees and today are playing their part in developing this country. However, cutting back funds will affect that Outreach program. We have exploited them; let us not continue to try to pull the wool over their eyes.

● (2150)

I ask this government to denounce this order in council program it has been following and to be above board. Let us put the record straight, let us say we will leave all that in the past and we will now define aboriginal rights with the help of the Indian and Inuit people, in a way which is fair to everyone.

That is all our Indian and Inuit people are asking for. If the government will not do that, I for one will be very apprehensive about anything it says about aboriginal rights.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too should like to address myself to the rights of the native peoples of Canada. Only a little while ago the constitutional resolution proclaimed the aboriginal rights of the native peoples of this country which the present Bill C-48 denies. I therefore support not only the amendment before us but, indeed, other amendments my party has brought forward.

I am delighted to see the hon. member for Hochelaga-Maisonneuve (Mr. Joyal), now a minister of state, here in the House tonight because it was he, as co-chairman of the joint committee of the House of Commons and the Senate on the constitutional resolution—

Mr. Skelly: Who was the other co-chairman?

Miss Jewett: I have forgotten.

Mr. Skelly: How soon we forget.

Miss Jewett: It was he, as I understand it—I may be misled—who gave encouragement to the hon. member for Nunatsiaq (Mr. Ittinuar) and other members of this party to press for the introduction into the constitutional resolution of Section 34(1), already referred to this evening, in which the aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

When the government acceded to the amendment this party proposed, one part of which included the strengthening of the aboriginal and treaty rights of the native peoples of Canada, it was my understanding that at least this co-chairman, and perhaps both co-chairmen, of the constitutional committee were enthusiastic and anxious to see this clause entrenched. That is not to say that the clause is perfect, but most of us thought then, and still think, that the courts are likely to give this clause paramountcy; that the fears of many of the native peoples of Canada that their rights will still be denied them are, we hope, not genuine fears; that they are not real; that they need not fear; and that we feel that the clause will be respected and given paramountcy by the courts.

But what happens to an hon. member when he joins the cabinet? I congratulate the minister on his appointment, but what happens? Either he has not studied the bill before us and the amendments before us or, if he has studied them, he has not realized that the bill itself absolutely denies the very aboriginal rights that he and all of us, at least in this party, spent so much time affirming. It seems to me that this is giving with one hand only to take away with the other. The very same thing could have happened, and the minister responsible for the status of women today assured us it would not happen, as far as native women are concerned. If I heard correctly today in the House, she said we would not wait for the three-year moratorium period, assuming the constitutional resolution is

passed, before we ensure that the inequities now in Section 12(1)(b) of the Indian Act are removed. Yet at the very moment one minister of the Crown is saying we will not continue with these inequities, the government, in a related field, namely, all matters relating to land claims, fishing and hunting rights and so forth, is saying we will perpetuate injustice, unfairness and inequities.

I urge the Minister of State, the hon. member for Hochelaga-Maisonneuve, before it is too late to bring his voice to bear in cabinet and elsewhere to ensure that the amendments which have been proposed and are still to be proposed will in fact be looked at much more seriously by the government. It will be too late, as far as the native people of Canada are concerned, when exploration and development has surged into the area of the Canada lands with no serious regard for the needs of the native peoples of this country or for their wishes or their genuine concerns, which we all say we share. If the government does not act now, it will be much too late, so I urge the minister, just as his colleague today said she would urge the government, to take steps immediately to rectify the inequities caused by Section 12(1)(b). I urge him to take the same steps with the Minister of Energy, Mines and Resources (Mr. Lalonde) and, indeed, with the whole government.

Similarly, I hope the Secretary of State for External Affairs (Mr. MacGuigan), who was here a moment ago, will also involve himself in this question of native rights. Hon. members might think this is not a matter which would ordinarily concern the Secretary of State for External Affairs, and I agree that he has a great many other concerns, but I know that the last thing he would want or, indeed, any of us want, would be another reference to the United Nations Human Rights Commission comparable to the Sandra Lovelace case. This case, however, concerns deprivation of the rights of the native peoples of Canada and particularly the right to have land claims and other claims negotiated. I cannot say for sure that could come before the United Nations commission, but it might come before it.

Mr. Evans: Speak to the motion.

Miss Jewett: I am speaking passionately to the motion. I hope the Secretary of State for External Affairs would be concerned, just as I hope the Minister of State, who was a co-chairman of the constitutional committee, would be concerned because he too spent a good deal of time on the constitutional resolution, and I am sure he too was grateful that Section 34 was introduced, strengthened beyond its original form. He too, therefore, must want to see the amendments we are proposing and the amendment I am at present addressing accepted by the government in order to ensure that injustice and inequities as far as the northern peoples of Canada are concerned will not prevail.

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

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

The Acting Speaker (Mr. Blaker): I should like to remind members there has been difficulty recently with regard to the amount of time members speak. Seven minutes is allotted for the question and three minutes is allotted for the reply. The Chair is obliged to keep to the time limit.

REQUEST THAT MINISTER RECONSIDER DECISION ON FUTURE OF PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): On October 14 I posed a question to the Minister of Transport (Mr. Pepin), arising out of his announced statement of July 27 cutting back VIA Rail services by 19 per cent, and affecting some 1.2 million passengers and, particularly, some 1,600 railway workers, plus countless other jobs which will be indirectly affected as a result of the cutbacks.

I asked the minister to reconsider seriously this illogical and shortsighted arbitrary decision, given the fact that we are in serious difficulty with the economy. Unemployment is running at a high rate. The cutbacks will affect the areas of Canada that experience the highest level of unemployment.

The reply the minister gave confirms to my colleagues and myself that little thought had gone into the social and economic impact of such a decision on the workers and their families, particularly in the eastern and western regions of Canada. They will feel a tremendous impact from the cutback of the transportation services which are needed and used.

The minister said he would be prepared to come before the committee to explain his decision; but he did not say he would be prepared to defer the decision. That is simply not good enough, Mr. Speaker.

He also suggested we could have dealt with this matter under our broad terms of reference that was issued by the House with regard to the study of transportation matters in Quebec and Ontario, which the Standing Committee on Transportation undertook this summer. The minister knows very well the mandate was limited. It dealt only with transportation matters in the province of Quebec and Ontario. The cutbacks we are dealing with affect all of Canada, not only the provinces of Quebec and Ontario. We had limited time. This being a national issue, it requires a lot more study and a lot more time than the minister is prepared to give it.

In the response of the minister we are simply being given a whitewash. He will come before the committee, wax eloquent and try to explain his position, without hearing the other side of the story. This is simply not good enough. Lay-off notices, Mr. Speaker, have already been issued. CN in Montreal

announced for the first of September that some 560 positions will be affected by the cutbacks of VIA Rail; two fifths of the positions in Montreal, two fifths in Winnipeg, and the balance in Moncton. VIA Rail has issued lay-off notices; 133 in Quebec and Atlantic Canada, 166 in western Canada, some in Ontario and a few others in administrative and accounting positions. This works out to 313 people.

The cutbacks, Mr. Speaker, occur in areas of high unemployment; mainly the province of Quebec, the Atlantic region and in western Canada, particularly in the city of Winnipeg where the bulk of the lay-offs will take place. There are other matters, Mr. Speaker. I am sure the minister, his officials and his cabinet colleagues did not consider the tremendous impact this will have on the future economic development opportunities both in the west and in the maritimes with regard to tourism.

• (2205)

Japanese tourists rely very heavily upon the use of rail service. They are big spenders. They are major contributors to Canada's balance of payments, particularly with the large amount of money they spend. The Canadian government tourist office suggests that the Japanese spend an average of $2,000 per capita when they come to visit the country. This is in addition to the payment for their travel and their hotels. Altogether, some 25,000 Japanese visitors travel through western Canada by train. We are looking at a potential loss of some $50 million if those opportunities are gone.

The minister also suggested that he will save some $100 million. We challenge that figure just as we challenge the statement that he could revitalize rail passenger services by abandonment. In short, he will not achieve that saving. The $30 million will be paid out immediately for adjustments, relocations and training programs for the people who will be laid off.

The actions of the minister constitute a very dangerous precedent. If he is absolutely sure his decision is correct, I challenge him to take his decision to the public and let the court of the Canadian public judge it. If he did, he may be apprised of the tremendous hardships and sufferings his decision will inflict upon hundreds of thousands of Canadians across the country.

The minister's act constitutes a very dangerous precedent, in my view. I hate to say this, but by virtue of the fact that the minister refuses to go through the normal and traditional process of public hearings, either through the Canadian Transport Commission or through a parliamentary committee, what he is doing constitutes a cowardly act. I hope he will reconsider the action he has taken and will allow the committee to study this matter. In order for it to be studied properly and fully, he must defer the decision. I plead and urge the minister to do so.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport (Mr. Pepin) and the cabinet made a decision to implement a reduction of rail passenger services in Canada which would create operating economies in order that these savings might be used for the purpose of acquiring new passenger trains and equipment for both the Atlantic and the western provinces. By reducing the operating deficits of VIA, the capital budget would correspondingly experience an increase.

I have with me notes for an address by the hon. member for Vegreville (Mr. Mazankowski) to the Canadian Transportation Research Forum on June 11, 1980, in which he said:

> On the passenger side of rail transportation, the ever-increasing debt incurred by the federal government in subsidies is a major problem which will have to be dealt with. This fiscal year alone, $424 million will go toward subsidizing rail passenger service. This is especially urgent when considering the impact on rail's competition, the bus mode.

The hon. member for Vegreville understated the problem because in 1980, seven million VIA Rail passenger tickets were sold and the subsidies amounted to $490 million.

We have in Canada two transcontinental services. The intention is to reduce them to one line to avoid a duplication of services. The transcontinental services account for more than half the operating deficit. The second transcontinental service will be replaced by daytime intercity services. Alternatives are therefore being put forward by the government. The cabinet has considered this matter three or four times. It was a difficult decision to reach, and the cabinet has no intention of reversing it.

• (2210)

VIA RAIL—CANCELLATION OF PASSENGER SERVICES

Mr. Bill Domm (Peterborough): Mr. Speaker, the president of the Toronto-Havelock Line Passenger Association said in his organization's submission to the Progressive Conservative task force on VIA Rail and the all-party committee on transport:

> It is absurd to believe that VIA Rail will actually revitalize Canada's rail-passenger service by discontinuing service, especially the most promising one. By careful study, subsidies to the retained routes are found to be as much as 13 times greater than the stated subsidy to the Toronto-Peterborough-Havelock service.
>
> It can be proved beyond a reasonable doubt that VIA Rail's revenues have been understated. It is further suspected that deficits have been purposely inflated by a disproportionate allocation of costs to passenger trains—costs that should rightly be charged to freight operations.

With that in mind—and I would add, incidentally, that the association's opinion has been endorsed by an actuary who reviewed the route's fiscal situation—it was particularly distressing to me last Thursday, October 15, when the Minister of Transport (Mr. Pepin) refused my request in the House that the figures he uses to justify the termination of VIA Rail service—19 per cent of the service in Canada—be audited.

As he had tentatively agreed, at least, to appear in person before the Standing Committee on Transport to justify cutting Canada's rail-passenger network by 19 per cent, I was hopeful that he would, in addition, agree to allowing the costing procedures he used to justify the Toronto-Havelock route to be audited. Very serious questions have been raised with regard to these figures and out of a total yearly sum of approximately

$350,000 which is involved on that line, some $100,000 or thereabouts is in question.

On Thursday, the minister sidestepped the specific question with regard to the cost justification on the Toronto-Havelock route by claiming that he viewed the route, and others in Ontario, as essentially of a "commuter" nature. This is despite a clear understanding which the minister shared with Mr. Snow, the minister of transportation and communications for Ontario. Mr. Snow was good enough to forward to me a letter of his where he said that the Minister of Transport "—concurred that the Toronto-Havelock service is intercity in nature and is being dropped because of the losses it is incurring".

Now we have two elements in the dispute over this particular route. First, is it essentially a commuter-route or an intercity service? Second, are the losses which the route is allegedly incurring enough to shut it down? The minister has since said that this route is "—dominated by commuter traffic and cannot be justified as intercity service if the commuter element is removed". That is to say, the route as it stands now is an inter-city type service because quite clearly the "commuter-element" can hardly be practically removed and constitutes merely a semantic sleight-of-hand which the minister's officials are so obviously reduced to. How on earth can the "commuter-element" possibly be removed? This is quite absurd. There is obviously a "commuter-element" on virtually every passenger train in the country.

The minister also refers in his letter to the published CTC decision contained in Order R-32317, where it found that the Rail Transport Committee "—intends to review this case with the purpose of deciding whether or not the Toronto-Havelock Service should continue to be designated as a passenger-train service".

I do not see why this justifies the minister's precipitous action. It is the function and purpose of the CTC Rail Transport Committee and not that of Transport Canada or the minister's office to decide whether or not it is indeed a passenger-train service. If the minister wants to discuss the CTC order, let him discuss the order's final recommendation which reads as follows:

● (2215)

Accordingly, it is the decision of the committee that . . . the Toronto-Havelock service shall not be discontinued.

They reached this decision despite having weighed the same evidence as has the minister, presumably.

However, the minister finally admits in his letter to me that:

It is the type of traffic rather than the losses they are incurring which led the government to terminate (the line).

In that case, I suppose we need not squabble about that odd $100,000 which the minister so airily dismisses, and concentrate on the route's "traffic". The minister's definition here deserves close scrutiny, preferably by the rail transport committee of the CTC, or at least by Parliament's Standing Committee on Transport, for as the rail passenger association's brief describes:

1) Less than 50 per cent of passengers and less than 20 per cent of revenues can be attributed to commuters travelling within the Metropolitan Toronto region.

2) The average number of passengers carried per train on this particular service equals or exceeds the average number per train on the Quebec City-Windsor corridor services.

This House needs a full explanation from the Minister of Transport as to why he refuses to have his figures audited or questioned by the CTC, and why he has resorted to an order in council to terminate 19 per cent of our passenger rail service in Canada without a public hearing and against the wishes of the CTC and an all-party standing committee on transportation.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in its decision of May 29, 1981, the CTC had strong reason to believe that the Toronto-Havelock service might be essentially commuter in nature and therefore not entitled to subsidies because the Railway Act does not provide for the subsidization of commuter services.

Havelock is 101 miles from Toronto. Havelock service is, however, commuter traffic dominated. VIA Rail conducted a survey of the Toronto-Havelock service earlier this year. On a typical work day, ten people boarded the train in Havelock and 239 disembarked at the Union Station in Toronto from the westbound train; the reverse was true on the eastbound train. VIA found that 55 per cent of the passengers board at the last two stops closest to Toronto; namely, Agincourt and Leaside. Only 25 per cent of the passengers using this train service go beyond Burketon, which is 47 miles from Toronto.

It is the type of traffic which led the government to its decision to terminate subsidy payments on the line in question. It was recognized that these trains perform an important function for commuters. The date of termination was set one year in advance to give the government of Ontario ample notice that it might integrate these services into its own commuter network.

FISHERIES—STATE OF INDUSTRY IN SOUTHERN NOVA SCOTIA

Miss Coline Campbell (South West Nova): Mr. Speaker, my question was asked on June 2, 1981, of the Minister of Fisheries and Oceans (Mr. LeBlanc). I do not want to repeat the question, but it related to the state of the industry in the southern end of Nova Scotia. I am sure that many people consider this to be one of the best fishing areas in eastern Canada.

The history, goes back prior to my question. It was on April 6, 1981, that I first asked the Minister of Fisheries and Oceans if he would set up an independent study group of fishermen and processors, big and small, as well as one economist, to study the distressing situation in the process of one month that was developing. Of course, no study was done, and I think what happened in June and July was a result of that.

The fishermen did come and meet with the Fisheries Prices Support Board, and I must say that we were well received; so well received that one has to look at what we got out of it. We got a $14 million fisheries prices stabilization program for

haddock, announced on July 24, 1981, approximately four months from the time I first spoke in the House concerning the crisis. This price support was on future inventory, not on past inventory. Therefore, the cost to the processors of storing the inventory under this program was of no consequence at all because it was kept back so that prices would increase in the marketplace.

• (2220)

This was not well received by either the fishermen or the industry. Nor has it been acted upon. In addition, 1981 was a very poor year. It all started back between January and May, 1981, with the haddock catches. At that time of the year only the offshore fleets on the east coast are fishing and many plants are in operation. I am sure the hon. parliamentary secretary knows of plants operating last year during a period when they normally do not operate.

In the maritimes from January to May, 1980, the catch increased from 14,000 pounds to upwards of 19,500 pounds. In Newfoundland, the catch increased from 1,500 pounds to 5,200 pounds. No wonder the plants were working when they normally would not have been, no wonder there was no fish on the east coast later in the year, and no wonder that in southern Nova Scotia, even if there was fish, there was no market for it because there was a glut in haddock. Prices to fishermen went down at that time from 25 cents, which was the lowest last year, to 17 cents in May and June of this year. Prices have not gone up that much even though no haddock was being caught in that area except for the months of August and September.

We can blame marketing conditions on the province, on industry and on the federal government. I would say that the Minister of Fisheries and Oceans should be hitting very hard on the marketing end at the federal level. But then he turned to quality. I have something to say about that. It is not, in my view, a global statement as indicated in his press release from Marystown, which reads that all fish should be bled and gutted and that the minister wished that the five provincial ministers of fishery would implement this regulation.

At the beginning of September the federal government funded a $14 million stabilization program, virtually saying that the offshore fleet does not have any fish to supply to the plants. "Therefore," they said, "We will let them open up early and we will give them additional quotas because the scientists have found that this year there are more fish for the big offshore fleet to catch." If they have so much additional pollock or cod quotas they will also have a by-catch of haddock of 10 per cent. But when will that take place? It will take place in September and October, which is the last period of the year when our fishermen have the best of the season to fish. But prices are depressed, both the price of haddock to the fishermen and prices to the small processors. Because the catches are not high, the plant workers will have insufficient unemployment insurance stamps as a result of this terrible glut which started at the beginning of the year and ended with the department bringing in a $14 million stabilization program. Then another branch of the department, under the fisheries management plan, amended the plan halfway through the year allowing the offshore fleets to return to the inshore waters to capture additional quotas which they felt was their due and just reward. They could not wait until October 15. They had to go then.

This is a prime example of government departments not finding out what one is doing on the one hand and what the other is doing on the other hand.

• (2225)

I would like to state now that quality will not enhance marketing conditions as far as fishermen in the southern end of the province are concerned unless the department, instead of just issuing quality improvement directives, indicates what we need and what will bring the prices up. You cannot go to a group of fishermen who are icing and whose fish has commanded the best of price right across the land and say they have to do something different when they are out for two days at the most with good icing facilities on their boats and when the local plants are receiving the highest prices, and when the only reason quality is perhaps not so good is that the big multinationals do not have the same quality standards as some of the smaller businesses.

The fact that I have to stand here tonight compounds the fact that the issue has been before this House since last April. I feel very strongly that the department should have a handle on this issue. It does not have a handle on the situation over the entire season. We are now coming up to the time of new quotas with a new season starting in January with depressed markets, and the department has done nothing, in my view, to cure the situation by its policies over the summer, particularly those of price stabilization from the Fisheries Prices Support Board. This could have been good except that the inventory being bought was future inventory and there was not that much to buy at the time. The department then allowed the offshore fleet to come in in September, depressing prices that should have been going up at that time. Thank you, Mr. Speaker.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, first I want to tell the member for South West Nova (Miss Campbell) that I appreciate her concern and very earnest representation on behalf of her constituents. Indeed, it has been a difficult year everywhere in fisheries in eastern Canada, and I know that in Newfoundland in many cases the bottom fell out of the cod market.

The hon. member mentioned quality several times during her comments. I became aware of an interesting fact some time ago which I think illustrates the need for quality in the fisheries in Atlantic Canada and, indeed, on the west coast of Canada as well. The total world production of fish and seafood is 74 million tonnes. Canada produces just one million tonnes. We are not in a position to assume we have some kind of monopoly in respect of fish and seafood. Indeed, we do have to prepare a quality product if we want to get to world markets.

The state of the fishing industry in southern Nova Scotia has been characterized by a glut of haddock products on the U.S. market which is causing low prices to both Canadian and U.S. fishermen. Canadian haddock landings have risen from 19,000 tonnes in 1976 to 51,000 tonnes in 1980, with landed value ranging from $8 million to $25 million during the same period. U.S. landings have increased almost four times from 1976 to 1980. During the January-July period, 1981, Canadian haddock landings were 30 per cent higher than in the similar period of last year. Prices for haddock to the southwest Nova Scotia fishermen were as high as 35 cents per pound, round, earlier this year, but have dropped to approximately 17 cents in May and June and increased to 19 cents per pound last September.

An additional factor in the oversupplied U.S. market is increased haddock block shipments from Norway and Iceland, haddock that is marketed in competition with our products. Here is where quality once again comes into question. Southern Nova Scotia fishermen as well are affected by the recent decline of cod prices received. The U.S. cod market has been dull in recent months and has affected all of eastern Canada.

I should like to say in closing that, at the request of the industry, the Fisheries Prices Support Board reviewed the situation in June and was authorized, effective July 25, 1981, to implement a price stabilization program for haddock. The board continues to monitor the situation with respect to haddock and, I assure you, with respect to other species as well.

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

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 20, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I trust that those on the other side of the House will give consideration once more to this motion and concern themselves with the dire and immediate necessity for relief in the Austrian refugee camps. I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the government take immediate action to implement a program that will assist a larger number of Polish immigrants in coming to Canada in order to relieve the overcrowding in Austrian camps and, in addition, to provide adequate food, clothing and medical supplies for those remaining in the refugee camps.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

TWENTY-FIFTH ANNIVERSARY OF RUSSIAN INVASION OF HUNGARY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, this coming Friday marks the 25th anniversary of the invasion of Hungary by the U.S.S.R., a date that should be important to all those who cherish freedom. I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That this House condemn the U.S.S.R. for the events which began on October 23, 1956, and express its deep and abiding commitment to the return of a free democracy in Hungary and in all other nations similarly suppressed, and urge that the House leaders consider interrupting our proceedings on Friday, October 23, at noon so that we may observe one minute of silence in memory of those thousands who gave their lives in the fight for freedom and against totalitarianism.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

INCREASED BENEFITS SOUGHT FOR COMPANY PENSIONERS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise, pursuant to the provisions of Standing Order 43, on a matter of urgent and pressing necessity. On behalf of the thousands of railway pensioners in Canada who have seen their pension income decimated by inflation, and who must have improved pensions if they are to have the quality of retirement which they deserve, and on behalf of the hon. member for Winnipeg North Centre (Mr. Knowles) who, I am sure, would be moving such a motion were he able to be with us this afternoon, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House convey to the Canadian National Railways and to the Canadian Pacific Railway its wish that these two railway companies abandon their callous indifference about the well-being of former employees, immediately provide a significant cost of living increase to Canada's railway pensioners, and be willing to consider structured and regular protection of such pensioners as a way of avoiding for good the injustice which railway pensioners now suffer.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INCOME TAX

REMISSION ORDER AFFECTING NORTHERN BENEFITS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43 I wish to introduce the following motion. Whereas officials in the Department of Finance are recommending that the remission order on the taxation of northern benefits be discontinued, and whereas the ensuing unfairness and strife would likely result in large-scale strikes involving at least 10,000 Steelworkers, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House calls upon the Minister of National Revenue to keep his word to the electors of Labrador in his own constituency, as well as to other northern Canadians, and calls upon the Minister of Finance not to remove the remission order, thereby unfairly penalizing northern taxpayers.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in view of the overwhelming public support for the retention of the Atlantic Limited, the crucial service that it provides to Atlantic Canada, the fact that the minister's own officials have stated that it can be retained and improved without adverse financial results, and in view of the minister's madness to continue with his berserk obsession of destroying the rail passenger transportation system in Atlantic Canada, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That the House demand his resignation and recommend his committal to an institution other than this one, which will do him some good.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BANKRUPTCIES

NEED FOR MORE OFFICERS AND RECEIVERS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I wish to move a motion under the provisions of S.O. 43. The government's high interest rate policy has resulted in a new boom industry in Canada. Indeed, it seems Canada is short of competent people acting as bankruptcy officers and receivers as scores of businesses of every nature, farms, and individuals, go broke. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the Minister of Employment and Immigration immediately set up a crash training program to train more bankruptcy officers and receivers to satisfy the burgeoning demand for such people caused by the government's economic policy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AUTOMOTIVE INDUSTRY

LOCATION OF VOLKSWAGEN PLANT—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Merci beaucoup, madame l'Orateur. I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That this House deplores the pressure that the federal cabinet used, including financial offers, to entice Volkswagen Canada Limited to change the proposed location of its new plant from Barrie to Montreal. The Government of Canada should be using its influence to get industry into Canada, not favouring one province over another.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

AIR TRANSPORT

PROPOSED STOL PASSENGER SERVICE BETWEEN TORONTO AND MONTREAL—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the recent decision of the Canadian Transport Commission to permit the operation of the STOL passenger service between Toronto and Montreal, and the financing and feasibility of such a service continue to be seriously questioned, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That this House refers to the Standing Committee on Transport and Communications the recent decision of the Canadian Transport Commission to grant a licence to City Service Airways to operate a STOL passenger service between Toronto and Montreal, and that the committee be authorized to investigate all facets of this proposed venture, particularly the financial implications for Canadian taxpayers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise under the provisions of Standing Order 43. In question period yesterday, the Minister of Public Works (Mr. Cosgrove) revealed his incompetence and inattention to duty by failing to be aware of a Canada Mortgage and Housing Corporation document predicting that 100,000 families will lose their homes by 1983 due to the government's policy of high interest rates. He also suggested that mortgages were

readily available at 19.75 per cent. However, on checking with Ottawa area banks this morning I found the average mortgage rate to be, in fact, 21 per cent. Therefore the report predicated on a 21 per cent figure is completely valid and, in fact, these 100,000 Canadians may lose their homes. I therefore move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That due to the inaction and incompetence shown by the minister irresponsible for housing, he resign his position, effective immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

DISCLOSURE OF MEDICAL INFORMATION BY DOCTORS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the majority decision today by the Supreme Court of Canada, allowing members of the RCMP to refuse to disclose to the Krever Royal Commission of Ontario the names of those doctors who violated their oaths and broke the law, in releasing confidential medical information regarding their patients; and in view of the grave ramifications of this decision, a sweeping extension of police powers in Canada, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House call upon the Solicitor General to waive immediately the new privilege in the 368 cases of illegal disclosure of patient information by doctors, and disclose the names of those doctors, and call upon the government to forthwith amend the Canada Evidence Act to end this threatening extension of privilege in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

CONDEMNATION OF GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the forced march to metric is on again in the retail food stores of Canada. No one wants it; no one can afford it; and no one can understand it. It will cost Canadians over $1 billion in extra food bills in 1982. I move, seconded by the hon. member for Red Deer (Mr. Towers):

S.O. 43

That this Parliament condemns the government for forcing metric on the citizens of Canada against the will of the grocers, the consumers, the producers, and just about everyone except the foreign scale manufacturers of Japan and the United States, who love it.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

IRAN—GOVERNMENT ATTACKS ON BAHA'I COMMUNITY—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in view of the widespread concern expressed in the UN and in national legislatures about the treatment of members of the Baha'i community in Iran by the present government of that country, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the government urge the Secretary General of the UN to redouble his efforts to have the Government of Iran desist in its attacks on the Baha'i community and grant them religious freedom.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CORPORATE AFFAIRS

SUGGESTED INVESTIGATION OF BEER PRICE INCREASES IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, in British Columbia we see evidence of growing concentration in the brewing industry. This past summer the three major brewing companies announced simultaneous price increases. Now Labatt's are planning to close their Victoria breweries, throwing 80 more people out of work. Therefore I move, seconded by the honourable and teetotalling member for New Westminster-Coquitlam (Miss Jewett):

That this House urge the government of British Columbia to impose a 90-day moratorium on the closure of the Labatt's brewery in Victoria; further, that we direct the Restrictive Trade Practices Commission to launch an immediate investigation into the Canadian brewing industry, and that the government establish a fair prices commission to roll back this unjustified price increase so that B.C. people can once again enjoy their beer at a reasonable price.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

HOUSING

MINISTER'S POSITION ON RECOMMENDATION RESPECTING RENT CONTROLS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the minister responsible for housing who, I trust, has had an opportunity to read the CMHC report that was referred to yesterday by the Leader of the Opposition and by the Leader of the New Democratic Party. On page 4 the report reads in part:

> It is important that provincial rent control bodies allow landlords to pass on the cost increases associated with mortgage renewals. The rent adjustments required to service the mortgage after renewal at current rent will exceed the maximum rent increases allowed under control regulations in certain provinces.

The recommendation is that landlords pass on these increases to tenants, which will result in extreme difficulty for a great many people. Has the minister accepted this recommendation put forward by CMHC? What plans does the minister have to provide some relief to what will be hard hit tenants?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in answer to the hon. member's question, I have not accepted the report. Indeed, the report has not been accepted by officials of Canada Mortgage and Housing. It was a document prepared by a person employed in the information section of the corporation.

In so far as the rental aspects are concerned, which the hon. member addresses, it was because of our concern for that market that this government reintroduced the capital cost allowance provisions discontinued by the government of which the hon. member was a part. We have reintroduced this in order to assist the supply side of the rental market so that people with low and moderate incomes can have alternate accommodation.

Miss MacDonald: Madam Speaker, the minister has yet to tell us whether he has bothered to take the time to read the report which shows the housing industry in this country is in such a devastating crisis. I hope he will be able to assure us tomorrow that he has done so.

RESIDENTIAL CONSTRUCTION INDUSTRY—GOVERNMENT POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, leaving the report aside, I want to come to another aspect of the housing industry. Even at the current level of housing starts, a level that would have been considered disastrous a couple of years ago, the residential housing industry is collapsing. The minister could have read that in the paper this morning. Supply companies, for example lumber companies, are also experiencing difficulty, which in turn is causing a tremendous loss of jobs, often in communities where a lumber mill may be the major source of employment. There is a major spin-off effect when residential construction is in a slump. What does the minister plan to do?

Some hon. Members: Oh, oh!

An hon. Member: What is your question?

Miss MacDonald: I will be glad to put the question if the howling mob on the Liberal side of the House will just allow me some time to do it.

Some hon. Members: Hear, hear!

Miss MacDonald: What is the minister going to do to prevent even further job losses in this very important sector of the economy?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the report to which the hon. member has referred was an interpretation of background information that I had requested from Canada Mortgage and Housing Corporation earlier this summer. It was an interpretation of documentation that I have already seen. Therefore, in reading the report I was looking at another person's interpretation of the facts which, by and large, I think the member has indicated are generally known to the industry, to the public, and certainly to people in the House who interest themselves in the subject.

Mr. Clark: Do you?

Mr. Cosgrove: Yes, I have looked at the report. In that sense it does not offer anything startlingly new except for misinterpretations.

• (1420)

As regards the strength of the industry itself, I would draw members' attention to a report in *The Globe and Mail* this morning which quotes one of the experts that is generally accepted as leading in so far as its reputation is concerned on analysis of the industry, Clayton Research. The figures of that company on starts are not as pessimistic as the figures the member would give us. For example, the article points out that in September starts were in the range of 190,000. It is the projection over the next 24 months with the assumption that interest rates will remain where they are that does pose problems. I would repeat that our concern for the industry and housing supply was the reason why this government supported the industry with the reintroduction of the capital cost allowance which was terminated by the previous government of which the hon. lady was a member.

RENTAL ACCOMMODATION SITUATION IN TORONTO

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the minister now says he has had a chance to read the CMHC report and that there is nothing new in it. I presume therefore that he verifies the figures contained in that report—100,000 families going to lose their homes. The minister may not have the honesty to admit it, but the fact is that right now

there are many people in this country who cannot afford a home, or who have lost their homes and cannot find any place to rent because of the tight rental market.

My question concerns the situation in large metropolitan areas where the vacancy for rental apartments is nil, approaching zero. Hostels, which provide temporary relief, are overflowing. Mr. Minister, 22 people were reported sleeping in Toronto's city hall garage in this morning's paper, and these people cannot wait for a budget before trying to find better accommodation.

Madam Speaker: Order, please. The hon. member's questions are really extremely lengthy. The hon. member knows that questions should be brief.

Miss MacDonald: Madam Speaker, my question is: what is the minister going to do about this pathetic situation in his own city, because in a country like this a situation of that nature is a disgrace?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I believe I should take the opportunity, in answering the hon. member's question and in addressing her introduction, to say that I indicated I have read the report and I disagree with the report and the analysis that says that those people who pay over 30 per cent of their income toward shelter costs will lose their homes. I disagree with that, and I would like to take the opportunity of saying that to the hon. lady, lest she misinterpret me or not understand what I am saying to her.

With regard to people in the lower income levels and their need for shelter, I indicated to the leader of the NDP earlier this week that the federal government is not alone in its responsibility for serving people in their housing needs. The provinces, for example, administer the Emergency Housing Shelter Program, for example in metropolitan Toronto, and they, as well as municipalities, must assume some responsibility. I am happy to say that on Saturday of this weekend I attended a sod-turning ceremony, the start of construction of co-op housing in metropolitan Toronto under the auspices of the Metropolitan Toronto Labour Council which, by the way, says it appreciates Section 56(1) and is happy that the federal government is approaching and assisting people with moderate and low incomes.

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[*Translation*]

AGRICULTURE

REQUEST FOR MEASURES TO HELP FARM INDUSTRY

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Finance. The minister is aware, as we all are, that high interest rates have brought about a slowdown in the construction industry and have indeed been detrimental to this industry. Recently the Canadian Federation of Agriculture has also expressed its concern regarding high interest rates, and that is why, with the support of the Minister of Agriculture, it has submitted a brief to the Canadian government asking that new funds be injected into the Farm Credit Corporation, at the same rate of 14 per cent. Can the minister provide some reassurance for farmers who are just as concerned as home owners and tenants?

● (1425)

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, a few days ago the new rate for Farm Credit Corporation loans was established in accordance with a formula which has been in existence. Even though these rates have been increased, they are substantially lower than rates which might be available to home owners and other persons seeking funds in the market. In those circumstances it seemed to me in the interest of equity it would be necessary to maintain some balance among the rates available to hard-pressed citizens. I did say also, however, that the Minister of Agriculture and I are considering what further steps can be taken in order to assist the farmers of our country.

[*Translation*]

Mr. La Salle: The minister has given us some bad news; that is, the Minister of Agriculture who had made a commitment to safeguard the 14 per cent rate has failed to get a satisfactory reply from the Minister of Finance, since the rate has increased by nearly 3 per cent. Can the Minister of Finance—

An hon. Member: Two and three quarters.

Mr. La Salle: —two and three quarters. As I was saying, nearly 3 per cent. Can the Minister of Finance tell the House whether he is willing to increase funds set aside for the Farm Credit Corporation in view of the increase in interest rates, and would he urge farmers to borrow more, and in this connection I would like to ask the Minister of Agriculture whether he is aware of the fact that in the province of Quebec alone the number of farm bankruptcies has already doubled since January 1.

[*English*]

Mr. MacEachen: Madam Speaker, I am not so sure that a general infusion of funds into the Farm Credit Corporation is the answer to the special difficulties of certain groups of farmers in the country. Certainly in various parts of Ontario—and now the hon. member adds parts of Quebec—there are special problems. It is to these special problems that I am addressing my attention as I prepare for the budget.

[*Translation*]

Madam Speaker: The hon. member for Joliette has the floor for a brief supplementary question.

Mr. La Salle: A very brief question, Madam Speaker. The minister is not sure whether such action would help farmers, but the Canadian Federation of Agriculture, backed by farm

organizations in Quebec, firmly endorses this report, which recommends an injection of capital into the Farm Credit Corporation Fund, and their representatives know, Madam Speaker, and I am saying this to the minister, that such money is needed. However, the fact remains that excessively high interest rates caused the problem in the first place. Can the minister assure the House that he will introduce measures in his budget or tomorrow morning, aimed at helping the agricultural industry, in order to avoid the same situation now prevailing in the construction industry?

[*English*]

Mr. MacEachen: Madam Speaker, I do not know how long the question would be if the hon. member had said it was to be a long one. He assured me his question would be very brief.

I want to assure the hon. member that all the concerns he has raised in his several questions are under consideration at the present time. It is my determination, as I prepare for the budget, to take into account the special problems that are being presented by members of the House of Commons so they can be dealt with in an appropriate way.

* * *

THE BUDGET

ASSISTANCE SOUGHT FOR HOME OWNERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Finance. It is also related to housing. It is reported today that the federal housing minister, the Minister of Public Works, has made a firm promise that there will be assistance in the federal budget for home owners who are threatened by mortgage renewals. I would ask the Minister of Finance, first, if it is true that there will in fact be assistance provided in the budget for home owners? Second, will that assistance take into account the very high interest rates that a large number of Canadian families have been forced to assume over the course of the last four or five months, and therefore be retroactive in order to assist them in their plight as they try to hold on to their homes?

● (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, all those points will be kept in mind. It was stated in the Speech from the Throne which opened this Parliament and this session that the Government of Canada took a special responsibility and interest in the home owners of this country, and it certainly will be my intention to attempt, in every way available to me in the present circumstances, to discharge the commitment which was made in the Speech from the Throne to home owners of this country. How I do it and with what measures, if any, is a matter the hon. member knows I cannot reveal before the budget. It is easy enough to ask whether "A" will be in the budget and whether "B" will be in the budget and, by a process of daily questioning, presumably, the budget would be produced by instalments, and then hon. members would be saying, "Well, why have you broken budget secrecy?"

REQUEST THAT ASSISTANCE BE MADE RETROACTIVE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I want to set the minister's mind at ease. If he would like to tell us what is in the budget, we would not accuse him of breaking the secrecy.

Some hon. Members: Oh, oh!

Mr. Deans: The problem is that there are large numbers of people in Canada—and the minister well knows it—who have been promised time and again by the minister responsible for housing that there would be assistance forthcoming, and during the course of the last two or three months and, in fact, in the next week or two many of those people have been and will be required to sign mortgages, probably and almost definitely at levels in excess of what they can reasonably afford. The minister responsible for housing has once again made a commitment that there will be assistance, and I am asking simply, whatever form the assistance takes, whether that assistance will be retroactive in order to ease the burden on people who have already been caught by the financial squeeze brought on by this minister, the Minister of Finance, and the Bank of Canada.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I assure the hon. member that I will give consideration to his representations as to what ought to be in the budget.

* * *

HOUSING

POSITION ADOPTED BY MINISTER

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, if I may, I will put one final supplementary question to the minister responsible for housing. The minister is reported to have indicated that one flaw in the report we have been talking about for the last couple of days is that it concludes that anyone spending more than a set amount, 30 per cent of his income on shelter, is in danger of losing his home. The minister is quoted as having said:

> I've been spending more than 30 per cent of my income on shelter for five years—

Frankly, I doubt that, but does the minister think that 30 per cent of his income is in any way comparable to 30 per cent of the incomes of Canadians earning $22,000 and $23,000 a year who cannot possibly meet the 19 per cent and 20 per cent interest rates that are being charged? Is he making his representations based on his own personal circumstance, or is he making representations to the Minister of Finance based on the circumstances of Canadians who are of average means?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would like to assure the hon. member that I was making my observations based on all of the representations I have received since the middle of August and since interest rates approached and exceeded 20 per cent. In other words, I made that analysis based on studies, individual interviews and reports prepared for me. About 40 people made representations to me on September 15. People made representations to me yesterday morning. As I look at the figures and try to understand them, it is my conclusion that the figure of 30 per cent the hon. member has used does not relate to what he has described as a person of average means or average difficulty faced with that situation.

* * *

INDUSTRY

GOVERNMENT POLICY ON PRODUCTIVITY AND INDUSTRIAL STRATEGY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce, from whom a strange silence has emanated only in the last few weeks. Upon taking office the minister indicated certain thrusts with which he hoped to redirect the Canadian economy. In recent times we have found that he has been besieged by a certain senator. Then only this month the Minister of Supply and Services has set out his own industrial policy which he says should include the supplying of "incentive to further investment in Canada from outside". He also said, "We must find ways to attract multinational dollars" to Canada.

Did the Minister of Industry, Trade and Commerce commission, as a new service to be supplied by the Department of Supply and Services, the making of this speech on his behalf? Second, is this in fact government policy concerning the important subject of productivity and industrial strategy in this country?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have not had the pleasure of reading my colleague's speech, but since my hon. friend is so impressed with it I will obtain a copy as soon as possible.

I would like to thank the hon. member for confirming that an industrial strategy is a very important priority of this government, and I hope he will be very pleased with the decisions we will be announcing before too long.

Mr. Stevens: Madam Speaker, the speech was given only last October 5, so we can see that it is more than the mails which are slow on the government side.

FOREIGN INVESTMENT REVIEW AGENCY

QUERY RESPECTING INTRODUCTION OF LEGISLATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, as the minister appears to be virtually becalmed in a sea of indecision over there, I will take him back to a statement he made in this House on July 14, 1980. It was not last July but a year ago last July when the minister stated, and I quote:

> It is my intention to introduce to Parliament on behalf of the government, after Parliament resumes in the fall, a package of measures designed to strengthen Canadian participation in the economy and improve the performance of the foreign controlled firms in that economy. These measures are—

The first measure was to deal with FIRA. Then the minister spelled out three particular things he wanted to change with respect to FIRA.

Will the minister at least try to introduce such a measure this fall, or will he once again postpone it still further? In short, what has gone wrong? Can the minister not make up his mind on anything or, if he can, can he not in truth sell to his colleagues?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I was simply referring to what was in the Speech from the Throne. I am glad to note my hon. friend's conversion to the cause of having Canadians play a greater role in the Canadian economy.

STATEMENT MADE BY UNITED STATES AMBASSADOR TO CANADA

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the same minister, the Minister of Industry, Trade and Commerce. Last year the minister said that he was going to propose new powers to provide performance reviews of how foreign-owned companies operate in Canada for the benefit of Canadians. He said he was going to amend the act so that public notice of foreign takeovers would have to be given in advance, and he would give assistance to Canadian companies wishing to submit competitive bids.

The United States ambassador to Canada, Mr. Robinson, has said he has it from the highest authorities "that FIRA will be in my terms 'contained'," and "that FIRA is going to be reined in". The minister is reported as denying that.

Is the minister proceeding with these three specific proposals in the form of legislation to this House, or has the minister been reined in or rained upon by his cabinet colleagues, or contained, or rained out, and is he not going forward? Is the United States ambassador properly informed, or is the minister going ahead?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend was referring to what was in the Speech from the Throne. I repeat what I said when asked about the comments of the distinguished ambassador, that we had made no decisions along the lines the ambassador has allegedly suggested in the press report.

Speaking of reined in, there is no comparing anything on this side of the House with what the hon. member's leader did to him in shuffling him into another position.

Some hon. Members: Oh, oh!

Mr. Nielsen: You were shuffled right out.

Mr. Crosbie: Madam Speaker, about the worst advice I could give the minister is to be himself.

Some hon. Members: Hear, hear!

Mr. Crosbie: The minister has been shuffled away from FIRA; we can see that.

STATEMENT MADE BY CANADIAN AMBASSADOR TO UNITED STATES

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Canadian ambassador to the United States, in a speech down in the United States on October 13, said this to the American Gas Association:

> Canada's National Energy Program ... will not be followed by similar initiatives in other economic sectors.

He said:

> Energy is a special case ... there is no other shoe to be dropped.

● (1440)

The minister might be dropped, but there is no other shoe to be dropped. Will the minister advise whether the Canadian Ambassador to the United States has properly informed Americans of government policy, and is there in fact a new industrial strategy similar to the new energy strategy, with the same kind of biased discrimination against foreign investors? Has that been dropped? Is the Canadian ambassador correct or not? If he is correct, is the minister going to resign, as he promised to do if his interest rate policy was not successful?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend must have been busy studying his file of bad jokes. He did not notice that in the National Energy Program document the government stated exactly what the Canadian ambassador to the United States stated some months later, that the NEP approach with regard to Canadian ownership was not intended to be extended to other sectors. The Minister of Finance said the very same thing several months ago in August. I can only suggest to my hon. friend that he himself seek an invitation to speak to that American Gas Association. He is most fitting for that kind of forum.

* * *

EXTERNAL AID

OFFER OF FISHING BOATS TO NICARAGUA

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I should like to address my question to the Secretary of State for External Affairs. Many British Columbians right at this very moment are donating fishing gear and are totally prepared to assist in the transfer of the 26 fishing boats, bought back by the federal government, to the Nicaraguan Fisheries Institute. In view of the great interest of the Nicaraguan government in being able to have these fishing boats and their great need for them, can the minister tell the House how soon this much hoped for transfer will be effected?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am not in a position to give the House that information today.

PARLIAMENTARY SUBCOMMITTEE REPORT

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I would like to ask the minister if his answer means that policies in relation to the transfer of the fishing boats and, indeed, broader policies in relation to Central America in general, particularly the latter, are awaiting the report of the subcommittee of the House of Commons Standing Committee on External Affairs and National Defence on the subject of Canada's relationship with the Caribbean and Latin America. In other words, is he looking forward anxiously to this report before making the kind of decisions I have asked him about today?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we are indeed looking forward with anticipation to the report of that subcommittee, but that is not connected with the question the hon. member asks today. Indeed, the evolution of a general policy for Central America is not, in the first instance, dependent upon the report of that subcommittee, although of course it will subsequently be influenced in its development by that subcommittee's report.

* * *

NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT—ACQUISITION BY AUSTRALIAN GOVERNMENT

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, my question is directed to the Minister of Supply and Services. The minister is no doubt aware of a rumour that an important decision was taken by the Australian government with regard to the type of defence aircraft they will use in their country. Can the minister give any truth to this rumour? Also, does he have any details of the agreement and/or decision, and can he present us with details of the impact it will have on the Canadian fighter aircraft program?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am very pleased that the hon. member has asked me that question. I congratulate him on his continued interest in defence matters. I am pleased to advise the House that the Australian government has selected the F-18 as its defence aircraft. As I understand it, they will be purchasing 75 of these

aircraft. Undoubtedly their decision was influenced both by the quality of the aircraft and, of course, the wisdom of the Canadian government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

IMMIGRATION

ADMISSION OF POLISH REFUGEES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Employment and Immigration. As he knows, some 30,000 Polish refugees face a bleak winter in the camps in Austria. Last week the minister announced that he would not increase the quota of refugees from eastern Europe. Then, under some pressure over the last few days, he announced he would have meetings this past weekend with the Polish Congress and others interested in the refugee situation. Will the minister now share with the House and interested Canadians the results of those meetings?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to provide one small correction to the hon. member. I did not say we would not increase the level of Polish refugees. I said that we had already substantially increased the level of refugees coming from eastern Europe. In fact we have doubled the number this year over last year. We sent a special team to eastern Europe, to Vienna, to interview applicants under a special consignment, and we have now accepted close to 1,500 additional places for refugees from eastern Europe coming to Canada under the special designated class. That is not a levelling of the quota; that is a substantial increase.

I also said we would want to look into the issue of Polish visitors who are in Canada and who are making application for landed status. I had meetings on Saturday and Monday with a wide variety of members of the Polish community. I will continue those meetings and discussions with my colleague from External Affairs. When we are ready to make an announcement, we will make it to members of this House and the hon. member will be one of the first to know.

REQUEST FOR INCREASE IN QUOTA

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, will the minister give serious consideration to increasing the quota from the refugee camps in Austria immediately, and announce it this week?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would point out to the hon. member, because I know he will have an ongoing interest in immigration, that it is the practice and requirement about this time each year to table an immigration levels document in Parliament. It is my intention to table that document in the first week of November. Within that document we will be outlining and indicating the new levels of refugee acceptance for the following year. At that time the hon. member will see what our commitment and direction are for the following year, in relation to the problem, not only of Polish refugees but refugees whom we take from around the world, because we have a world-wide immigration policy, not a policy for just one area.

* * *

EMPLOYMENT

LIST OF JOBS REQUIRING SPECIALIZED SKILLS

Mr. Albert Cooper (Peace River): Madam Speaker, many men and women across Canada are discovering that their job skills are becoming obsolete as the job market becomes more sophisticated. At the same time there are thousands of new jobs requiring more specialized skills becoming available. Can the Minister of Employment and Immigration tell me if he and his department have an accurate list of those jobs and when that will be made available to us?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member likely knows, in the last three or four months we have had a major report by a parliamentary committee, outlining the areas where the shortages exist. We also had a very major research document which was prepared by my department, outlining where action could be taken. We have now conducted very extensive consultation with the unions, private business, and the provincial governments. We have held meetings with the provincial governments to arrive at some new directions in those areas. I would say to the hon. member that we recognize that issue very much. We consider it to be one of the most significant priorities of this government in responding to the economic prospects of the future. We will be developing a number of new policies and agreements over the forthcoming weeks and months.

TASK FORCE RECOMMENDATION

Mr. Albert Cooper (Peace River): Madam Speaker, I understand that to mean there is no list. The minister's response brings me to another question. Thousands of men and women would be happy to fill these new jobs. The problem is that, on the meagre allowance the government offers, they do not have the opportunity to enter retraining programs and at the same time look after their families. Will the minister consider the report that came from this task force to which he referred, the employment opportunities for the eighties, and in particular the recommendation to increase immediately the allowance for retraining opportunities so that people will not have to make the choice between looking after their families and retraining or upgrading their skills?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is our intention to consider all the recommendations of that committee. We treat them all with a great deal of seriousness. We are examining the entire range of proposals that we received from the parliamentary group. The hon. member talked about the need to provide further incentives. The program we introduced last year to provide particular incentives to women in non-traditional work has been a substantial success. This year, compared to the same time last year, an additional 2,000 women are now training in non-traditional work. This shows the government is taking significant action to meet that problem.

* * *

● (1450)

WILDLIFE

EXPORT OF FALCONS TO MIDDLE EAST

Mr. Jim Fulton (Skeena): My question is for the Prime Minister. Almost a year ago the Prime Minister gave a gyrfalcon to King Khalid of Saudi Arabia. Since that time, and for the first time ever, 50 harvest and export permits were issued for gyrfalcons in the Arctic. Has the Prime Minister at any time asked his staff to arrange for the export of either peregrines or gyrfalcons to the Middle East?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker. I am unaware of such a large number of export permits having been issued. I do know of the case I was involved in; but I know of no others. I will inquire.

ACQUISITION OF EXPORT PERMITS

Mr. Jim Fulton (Skeena): The Prime Minister is perhaps aware that Jim MacDonald, recently of his personal staff, has been arranging a major gyrfalcon export for some months. In fact Mr. MacDonald has ended up possessing all 50 permits which were originally given to the Inuit in the Arctic. In light of the Prime Minister's comments, will he investigate the involvement of his office in this wildlife scandal, and also the presence of Kuwaiti nationals in the hunt?

Right Hon. P. E. Trudeau (Prime Minister): It seems to me the hon. member is making at least two mistakes. First, Jim MacDonald is not in my office. Second, as far as it being a major scandal in the wildlife area is concerned, I do not know that. I am not sure the hon. member does.

It is certain there are falcons which are bred in captivity. We have plans to ensure that the species does not disappear. There are some that are surplus to our needs.

If the hon. member is talking about wild birds, I realize it is another problem. The hon. member is not unaware that there is a certain amount of poaching of wild birds, since there is a great premium for them. I will inquire whether the alleged action the hon. member talks about is meant to control that poaching in some way.

[*Translation*]

THE CONSTITUTION

POSSIBLE POSTPONEMENT OF FEDERAL-PROVINCIAL MEETING—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): My question is directed to the Right Hon. Prime Minister. It is about the news received this morning that for the seventh time now, the provinces want to postpone the federal-provincial meeting on the Constitution. I wonder whether the Canadian people are supposed to take this series of postponements seriously, and whether the Prime Minister could tell us what his position is on this important meeting of provincial first ministers with the federal government.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member has asked me whether this request for further postponement is to be taken seriously. I must say that I am not privy to the intentions of the provincial first ministers. Obviously, much of their strategy during the past year has been to play for time, for instance, when they launched appeals before the supreme courts of three provinces at intervals of several weeks. I am certainly very surprised that they have been unable to find the time to arrange a meeting with us on any of the six days I have suggested since the Supreme Court handed down its decision.

The hon. member has asked me how I intend to reply. I have not yet dictated my answer, Madam Speaker, but I hope to do so before the end of the day and to send it by telegram to Premier Bennett, who is the spokesman for the provinces, and I may send a copy to the hon. member to support him in his desire to settle this matter once and for all.

* * *

[*English*]

THE MINISTRY

EMPLOYMENT OF EXECUTIVE ASSISTANT TO MINISTER OF ENERGY, MINES AND RESOURCES

Mr. John Thomson (Calgary South): My question is for the Minister of Energy, Mines and Resources. Many Canadians are concerned about the recent news report that the minister's executive assistant received part of his salary and interest-free mortgages for his personal home from Petro-Canada. Would the minister please confirm this report and place all the relevant information concerning Mr. Phelps' employment before the House?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Phelps is an employee of Petro-Canada. His salary is paid by Petro-Canada. He is entitled to the same benefits in his level of employment as are other employees. Mr. Phelps is on loan to me as my executive assistant. Upon termination of his employment with me, he will return to Petro-Canada.

REMUNERATION OF EXECUTIVE ASSISTANT

Mr. John Thomson (Calgary South): Does the minister believe this practice is morally right? If the executive assistant is employed by the minister, why could his remuneration package not be made above board, instead of sneaking behind a Crown corporation?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The remuneration received by Mr. Phelps has never been made a secret. As a matter of fact, members of the industry and members of the press were aware for many months of the remuneration he is receiving. The practice that has been followed is identical to the practice followed under the Public Service Exchange Program, as with the private sector. We follow the exact same rules. However, Mr. Phelps does not come under the Public Service Exchange Program because he is not a public servant as such. The rules followed are exactly the same as those followed under that program.

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METRIC CONVERSION

EMPLOYMENT OF TELEVISION PERSONALITIES BY METRIC COMMISSION

Mr. Bill Domm (Peterborough): Madam Speaker, today I received a plain brown envelope which contained a notice from the Chairman of the Metric Commission of an announcement to be made next Wednesday, October 28, saying:

> Two well-known TV personalities, Bruno Gerussi and Madam Benoit, have been employed by the Metric Commission to appear on coast to coast television to promote the metric conversion of the food stores in Canada.

My question is for the Minister of Industry, Trade and Commerce. Mr. Gerussi and Madam Benoit will be given $110,000 for a six-week contract. Does the Minister for Industry, Trade and Commerce, who is responsible for the Metric Commission, think the Canadian people want to turn on their television sets and see Bruno Gerussi and Madam Benoit cook up metric souffles at a cost of $110,000?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I believe the answer is yes.

[*English*]

ROLE OF MINISTER RESPONSIBLE FOR SMALL BUSINESSES

Mr. Bill Domm (Peterborough): Since the Minister of State for Small Businesses and Tourism answered my question, I will direct my supplementary question to him. Do all small businesses in Canada, which are trying to recover from the massive losses they incurred during the summer mail strike, know it is their minister, the minister responsible for small businesses, who is responsible for this atrocious spending of public money?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I fail to see what is so terrible about setting up information programs to help Canadians use the metric system in the kitchen.

* * *

[*English*]

AGRICULTURE

CREDIT DIFFICULTIES EXPERIENCED BY FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): I direct my question to the Minister of Finance. Would he agree with the statement made by the Minister of Agriculture when he said that "farmers are suffering in their credit needs because of the necessity of making loans through the traditional banking institutions that are in a roll-over position and of a short-term nature"?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I agree with the Minister of Agriculture when he said that certain groups of farmers are having difficulties, as are other citizens of the country who have to go to the market and borrow funds at high interest rates.

FUNDING FOR FARM CREDIT CORPORATION

Mr. Bill McKnight (Kindersley-Lloydminster): If the minister agrees with that, because of the need to go to other banking institutions rather than going to the Farm Credit Corporation, and the reason they have not gone to the Farm Credit Corporation is the lack of funds given to that corporation by the government, will the minister fund the Farm Credit Corporation so that it will be able to meet the needs of the farmers who wish to use it as a lending institution?

• (1500)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I already answered a question along the same lines in greater detail earlier in the question period.

* * *

PETITIONS

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Monday, October 19, 1981, and finds that they meet the requirements of the Standing Orders as to form.

PRIVILEGE

MR. FULTON—ALLEGED OBLIGATION OF MINISTER TO TABLE LEGAL OPINION

Mr. Jim Fulton (Skeena): Madam Speaker, my question of privilege arises from the speech given in the House yesterday by the Minister of Indian Affairs and Northern Development (Mr. Munro) and also concerns the meeting of the Standing Committee on National Resources and Public Works on June 1. At that committee meeting, while native people were present, I asked that a legal opinion be tabled regarding the implications of Bill C-48 in relation to the title of native people, particularly those north of 60, and as it relates to the whole of Canada lands as defined in the bill. At that time the minister said, and I quote, "Yes, I can give a legal opinion".

On August 31 the minister provided me with a letter in which he said this:

> Further to my commitment to endeavour to obtain a legal opinion for the committee concerning the impact of Bill C-48 on land claims and aboriginal rights, I regret that I will be unable to meet your request—

Yesterday, following a speech given by the minister, with the unanimous agreement of the House I put a question to him asking for his views on the tabling of the legal opinion. It is crucial that every member of the House be aware of this opinion in order that we may vote in full knowledge of its implications for Bill C-48. At that time the minister had the following to say, and this is the fact upon which I base my prima facie case. I quote now from yesterday's *Hansard* at page 11922:

> I meant that I would obtain a view in writing . . . The views I expressed then with respect to this . . . are quite clearly founded on legal views I have obtained.

Madam Speaker, at the June meeting when native people were present, the minister promised to provide members of the committee with that legal opinion. In a letter to me he said that he was unable to provide it. Yesterday in this House during debate on Bill C-48, he said that he had received that legal opinion in writing, had looked at it but would not provide it to members of the House who have a crucial vote ahead of them.

I believe that a prima facie case of breach of privilege has been established. I agree with the ruling in Beauchesne that it is a question partly of law and partly of fact. Contempt of Parliament is a matter for this House to determine. This is the most serious contempt of this House that is possible. It strikes at the very root of the British common law, and the right of the aboriginal people to title to land.

Madam Speaker: Order, please. Of course the hon. member knows that ministers are not obligated to table legal opinions. They might seek them, and if I understand the argument, the minister said that what he was saying in the House flowed from the legal opinion that he had obtained. It is not a rule of the House that ministers are obligated to table legal opinions; it is a guideline which the government has set for itself. Any documents of this nature which eventually are tabled are always tabled because the government has decided that it feels that the particular document may be tabled, but the minister is not obligated to table the document.

The question raised by the hon. member does not constitute the basis for a question of privilege. If the hon. member wants to take some action in order to force the minister to table the document, he may move a motion for the tabling of documents. That is the way in which he can proceed to get satisfaction.

An hon. Member: Madam Speaker—

Madam Speaker: No, I have just ruled on this question so there can be no further comment upon it.

* * *

POINT OF ORDER

MR. NIELSEN—QUESTION OF PRIVILEGE OF MR. BROADBENT

Hon. Erik Nielsen (Yukon): Madam Speaker, I was going to ask your indulgence to comment on a question of privilege raised yesterday by the leader of the New Democratic Party (Mr. Broadbent), but because of an exchange which took place today between the hon. member for Kingston and the Islands (Miss MacDonald) and the Minister of Public Works (Mr. Cosgrove), I would request leave to defer that argument and ask that you defer your ruling until tomorrow. In making this decision, may I refer the Chair to page 11904 of *Hansard* for yesterday where the minister clearly said, "I have not read such a report."

At page 11906 of the same issue of *Hansard*, in the right hand column, in response to a question put by the hon. member for Oshawa, the minister again said, "I have not read this report". I thought I heard him say today that he had indeed read the report. I also thought I heard him say today that he had quoted a statistic from the report.

That would change the whole nature of the submission which I had intended to make to you today, Madam Speaker. On that basis I would suggest that your ruling be deferred and that I make my submissions tomorrow, to prevent a separate submission having to be made based on only today's proceedings.

If the Chair is in agreement with that, I have a question for the government House leader on House business.

Madam Speaker: There is certainly no urgency for me to rule on this particular point of order. At the request of the hon. member I will delay my ruling until tomorrow and hear his submission.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, further to the submission made by the opposition House leader, I should like to put his mind at rest and yours as well. It was last evening, after I made those statements, that I read the report. I would say further that there is nothing in the report that was not in the newspapers yesterday.

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I have been sitting on the edge of my chair day by day since last Thursday, waiting to hear from the government House leader. Indeed, I was rather hoping that we might have some House leaders' meetings so that we could have some idea of in what order the government intends to put the business of the House. As it is, after the expiration of today's business we are pretty well in the dark as to what will happen for the rest of the week.

We all have caucus tomorrow. It would be a relief, and perhaps even a resurrection of some faith in the ability of the government to manage, if the government House leader could inform us what is going to happen on Wednesday, Thursday and Friday and as far into next week as he can take us. I understand that this is a common practice, at least in Westminster. In that way we could have some time to plan ahead and inject some order into the business of the House, thereby assisting the government to achieve a level of efficiency which, I am sure, they would be glad to achieve with our assistance.

[*Translation*]

Mr. Pinard: Madam Speaker, actually, I could refer my hon. colleague to the reply I gave last Thursday, but out of politeness I shall repeat what I told him last week, which is public knowledge. We are considering Bill C-48, and until we have some indication as to when debate at the report and third reading stages of this very important bill, which contains a number of amendments as my hon. colleague is aware, will be completed it is useless for me to speculate on what the business of the House will be during the next few days. However, if the member for Yukon should tell me that we are about to dispose of Bill C-48, I shall immediately call a meeting and examine the Order Paper with him in order to determine what measures can be considered within the very short term. The answer I gave last Thursday, which I have just repeated at this point, is that with the exception of today, which is an opposition day, Bill C-48 is on the agenda and we shall be dealing with this bill tomorrow and Thursday. However, as I told the hon. member last week, we shall probably be holding a meeting of the House leaders on Thursday, when we usually meet to plan the business for the following week. I suggest that the hon. member follow established practice and wait until Thursday when we can discuss the business of the following week. In addition—I am sorry I did not hear what the former Solicitor General for nine months was saying.

• (1510)

[*English*]

Mr. Lawrence: Nobody pays any attention to convention.

Mr. Pinard: The hon. member says that no one pays any attention to convention. That is right. When I read the opposition motion today, it stated:

—notwithstanding any Standing Order, practice or precedent, the House does not regard the passage of this motion as a vote of non-confidence in the government.

[*Translation*]

To answer the question put by my colleague for Yukon, first of all I wish to thank him for his offer of co-operation, and I can assure him that I will take his offer very seriously. I was planning to hold a meeting Thursday, but if he should tell me that we will dispose of Bill C-48 tomorrow, I am quite willing to hold this meeting before Thursday. However, if he cannot give me that assurance, I see no urgent reason for having a meeting before Thursday. Right after Question Period on Thursday afternoon, I shall be happy to answer the usual question on House business or to rise on a point of order to provide further information on House business for the following week.

[*English*]

Mr. Nielsen: I thank the government House leader for that confirmation as to the business for the remainder of this week. I might say, in response to his reply to the intervention by my friend, the hon. member for Durham-Northumberland, that that last paragraph was placed in the motion precisely to assist the hon. member for Gloucester and the hon. member for Northumberland-Miramichi, and other hon. members who might like to vote for the very reasonable opposition motion which has been put today, the subject matter for debate today.

[*Translation*]

Mr. Pinard: I would like to reassure the House leader of the Progressive Conservative Party and tell him that my colleagues on this side of the House understand the rules quite well, and that despite the indications of the opposition party, they are bound by our Standing Orders; and while some of them might favour more railway lines in Canada, they do not necessarily also favour elections at this time.

Those of my colleagues to whom the hon. member has just referred are quite aware that we are dealing with a harmless parliamentary tactical plan, but I believe that these are important matters which would have required a more serious approach. I remember that last June or July, when my hon. friend was not House leader for his party, the Progressive Conservative Party tried to make a mockery of the debate on capital punishment by binding the opinions of the hon. members to a non-confidence vote. The same little parliamentary tactical plan is now being used, and in my opinion, it is unfortunate to try to degrade a serious debate by forcing the hon. members to support a motion and take a stand on whether or not they want elections to be held at this time.

All this is therefore very clear. Government members are not fooled by such tactics. We understand the parliamentary procedure for the business of supply, and Standing Order 58(9), which deals very clearly with the motion of the Progressive Conservative Party, states that this rule applies and that

this is therefore a non-confidence vote. The members on this side have therefore no choice, and whatever our opinions are about the substance of the motion, they can definitely not support the motion according to our procedure. Moreover, Madam Speaker, I would like to draw your attention to page XXXI of today's Order Paper, where it is very clearly indicated in the title of the motion moved by the Progressive Conservative Party:

First non-confidence motion for the supply period ending December 10, 1981.

It could not be any clearer. If this motion is put to a vote this evening and if the majority of members support it, Standing Order 58(9) states very clearly that such a motion is a non-confidence motion in the government, whatever the wishes are of the Progressive Conservative Party to go against conventions and precedents.

[*English*]

Mr. Deans: Madam Speaker, I do not want to interfere with this little family quarrel, but I listened with interest to the government House leader's reply to the House leader for the official opposition, and as I recall he indicated that if the House leader for the official opposition desired, he would be prepared to meet with him. Far be it for me to interfere with this relationship that they have going, but if they decide to meet, I would like to be there.

Mr. Pinard: Madam Speaker, we have always had a dean in our meetings, and I surely would not miss the opportunity to have my colleague attend this meeting.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CLARK—EFFECTS OF HIGH INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as I have done each day this session, I would like to beg leave of the House of Commons to lay upon the Table petitions from Canadians and communities, large and small, across the nation which are seeking relief from the deliberately high interest rate policy of the Government of Canada which is forcing these Canadians out of their homes. Today I wish to lay upon the Table a petition signed by some 65 residents of the communities of Westhill, Ajax, and other communities in Ontario; a petition signed by 116 residents of the city of St. Catharines in the province of Ontario; and a petition signed by some 467 residents of the city of Picton in the province of Ontario.

MR. STEWART—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Ron Stewart (Simcoe South): Madam Speaker, I would like to lay upon the Table a petition from the constituents of Simcoe South comprising some 51 signatures and another 1,500 in the hands of the Minister of Transport (Mr. Pepin) and his office. It states that we require the retention and improvement of the VIA Rail service from Barrie to Toronto, that the existence of such a commuter rail service is an essential aspect in the economic wellbeing of the city of Barrie and—

Madam Speaker: Order. The hon. member is not allowed to read the petition. He may just say a few words about where the petition comes from and how many people have signed it, but that is all.

MR. WENMAN—REQUEST FOR CHANGE OF PARLIAMENTARY PROCEDURE REGARDING PETITIONS

Mr. Bill Wright (Calgary North): Madam Speaker, I have the honour to present a petition on behalf of the hon. member for Fraser Valley West (Mr. Wenman), who would like to voice his concern over the present parliamentary procedure regarding petitions. Therefore, on his behalf, I submit this petition requesting certain changes to said procedure.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,643, 2,678, 2,689, 2,785 and 2,792.

[*Text*]

DIPLOMATIC IMMUNITY

Question No. 2,643—**Mr. Beatty:**

1. Was diplomatic immunity invoked by countries to avoid prosecution for alleged violations of Canadian law in 1980 and, if so, on how many occasions for each country?

2. What was the nature of each offence and in which municipality did the alleged infraction occur?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes. Immunity of jurisdiction was invoked on ten occasions during 1980 by ten different diplomatic missions in respect to ten alleged violations of Canadian law. Diplomatic missions invoking immunity of jurisdiction in relation to alleged violations are not identified as naming them could reasonably be expected to injure Canada's relations with the countries concerned. The above figures do not take into account instances where immunity of jurisdiction was invoked in relation to alleged traffic violations as there is no systematic reporting of such incidents to the Department of External Affairs.

2. The nature of the ten alleged offences and the municipalities where they are reported to have occured are as follows:

Alleged Offence	Municipality Where Offence is Alleged to have occured
1. Shoplifting	Ottawa
2. Theft	Ottawa
3. Rental dispute	Ottawa
4. Impaired driving	Ottawa
5. Debt claim	Ottawa
6. Assault	Ottawa
7. Rental damages claim	Ottawa
8. Harassment	Toronto
9. Impaired driving	Ottawa
10. Shoplifting	Nepean

COST OF BRIEFCASES FOR GOVERNMENT EMPLOYEES

Question No. 2,678—**Mr. Beatty:**

Since March, 1980, what amount was spent by the government to supply briefcases to employees?

Hon. J.-J. Blais (Minister of Supply and Services): The information on these items is available on a trimestrial basis only. For the period of April 1, 1980 to June 30, 1981, the stocked item supply system supplied government employees, throughout Canada, with briefcases valued at $674,972.

WENDESIGNS, OTTAWA

Question No. 2,689—**Mr. Stewart:**

Did the Department of Communications contract with Wendesigns, Ottawa for $29,000 for the provision of telecommunications consulting services and, if so (a) what services were provided and over what period of time (b) what are the names of the principals of the company?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services awarded a contract, on behalf of the Department of Communications, to Wendesigns, Ottawa. The value of the contract was $29,000.

(a) The contract was for the provision of design, writing and editing services in support of the Telidon Videotex system to provide government information to the Canadian public. The period of the contract was May 6, 1981 to March 31, 1982.

(b) The principal officer of the firm is: Mrs. Wendy Kramer, president.

OFFICESMITHS INC.

Question No. 2,690—**Mr. Stewart:**

Did the Department of Communications contract with Officesmiths Inc., Ottawa for $10,000 for professional services and, if so (a) what services were provided and over what period of time (b) what are the names of the principals of the company?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services awarded a contract, on behalf of the Department of Communications, to Officesmiths Inc. The value of the contract was $10,000.

(a) The contract was for the provision of a report of Software Strategies of the Microhardware Industry for office automation. The period of the contract was May 1, 1981 to May 31, 1981.

(b) The principal officer of the firm is: Mr. Glenn McInnes, president.

PRINTING OF PARLIAMENTARY PAPERS

Question No. 2,785—**Mr. Cossitt:**

Does the government intend to take over the printing of *Hansard*, the *Order Paper and Notices*, *Votes and Proceedings* and *Committee Evidence and Proceedings*, from the House of Commons and, if so, what are all the details in this regard?

Hon. J.-J. Blais (Minister of Supply and Services): The Canadian Government Printing Office, a sector of the commercial supply service of the Department of Supply and Services has always had the responsibility for printing parliamentary papers, which includes *Hansard, Order Paper and Notices, Votes and Proceedings* and *Committee Evidence and Proceedings.*

OPERATION OF PAY OFFICES

Question No. 2,792—**Mr. Anguish:**

1. With reference to the answer to question No. 1,950 which mentioned a report submitted in March, 1975, what reasons were cited in the report for choosing the upgraded regional pay system over the central pay system?

2. Does the new pay system generally not permit supplementary cheques to be issued until receipt of a computer message authorizing same and, if so, how did the report justify the system-generated delay, in view of the purported goal of a quicker, more efficient pay system?

3. Was it ever the practice to pay some Privy Council staff their supplementary payments by typed cheques and were the cheques later registered in the regional pay system?

4. How many pay accounts are currently paid by the (a) capital regional pay office (b) central pay division?

5. How many pay clerks and auditors are employed in the (a) capital regional pay office (b) central pay division and what is the total number of staff in each case?

6. To the knowledge of the government, what reaction did the regional pay system meet among serviced departments and are the departments' comments available?

7. Has the Post Office Department refused to participate in the new pay system and, if so, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The major reason for choosing the upgraded regional pay system over the central pay system was due to the better and more timely service that may be provided from regionalized pay offices located close to the place of work of the employee. A number of other factors considered also were development time and cost, capability for progressive modular enhancements, and the capacity to expand to meet the future needs of pay administration in the federal public service.

2. Supplementary cheque processing may be scheduled in the pay system at any time. A common cause of these payments results from retroactive entitlements granted to an

employee. A computer message during a regular run alerts the pay office staff that such a condition exists.

3. The only time supplementary cheques are typed is when we are not able to meet a scheduled commitment. This should normally occur infrequently and we are not aware of any previous practice of paying Privy Council staff by typed cheques. However, when typed cheques are produced the procedures require that they be registered in the regional pay system.

4. As of June 30, 1981, there were 135,321 pay accounts administered by national capital region pay offices. These were distributed as follows:

(a) CRPO 1, 49,567 pay accounts

CRPO 2, 37,764 pay accounts

(b) Central pay, 47,990 pay accounts

5. The number of pay clerks, auditors and total staff employed by pay office in the National Capital Region was:

	Pay Office	Pay Clerks	Auditors	Total Staff
(a)	CRPO 1	96	8	180
	CRPO 2	77	7	137
(b)	Central pay	60	4	110

6. Services Canada maintains ongoing liaison visits to departments at each level of management. In addition, visits were routinely made to each departmental office during the conversion period of the pay accounts from central pay to the regional pay system. From reports received from these visits the reaction was generally favourable to the improved services provided such as the expanded cheque stub data. However, a number of specific problems were reported and each one was analysed and resolved at the time.

7. The post office has not refused to participate in the pay system. The regional pay system does pay the post office term hourly paid employees now. However, the majority will remain with the central pay system at least during the transition period to the Crown corporation. We are presently discussing with management of the post office their requirements for an enhanced pay system.

[*English*]

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

[*Translation*]

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

Some hon. Members: Agreed.

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

On the order: Government Orders:

Consideration of an Opposition Motion—That this House expresses its deep concern over the abandonment of 19 per cent of the VIA Rail passenger network, which will take place when Order in Council P.C. 1981-2171 is implemented on November 15, 1981;

that the House recommends that the government delay the implementation date for Order in Council P.C. 1981-2171 to at least September 27, 1982, the date commuter rail service in Quebec and Ontario is presently scheduled to terminate under the same order;

that this House refers the subject-matter of Order in Council P.C. 1981-2171 to the Standing Committee on Transport to enable the committee to evaluate the economic, social, statistical and legal basis for the decision to diminish rail service, and instructs the committee to report its conclusions and recommendations to the House by June 30, 1982; and

that, to facilitate the support of this motion by all hon. members, and notwithstanding any Standing Order, practice or precedent, the House does not regard the passage of this motion as a vote of non-confidence in the government.—Mr. Mazankowski.

Madam Speaker: Today the House is confronted with a motion under the terms of Standing Order 58(9), which calls for a vote this evening and which, according to the Standing Order, therefore amounts to a vote of non-confidence in the government. The last paragraph of that motion, however, suggests that the passage of this motion should not be considered as a vote of non-confidence in the government.

There is nothing in the Standing Orders to guide the Speaker in the interpretation of what constitutes a vote of non-confidence. In the past my predecessors have made certain comments on this problem, but have chosen not to interfere with the right of an hon. member of the opposition to move a motion under Standing Order 58(9).

The motion will be moved, debated and voted upon as provided for in the Standing Orders.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Very briefly concerning the matter upon which Your Honour has just commented, in the context of the acceptability of the motion, I am sure that all of us in the House recognize that the House is itself in control of its own rules. If the House, by a vote in approval of the resolution which is standing in the name of my colleague, the hon. member for Vegreville (Mr. Mazankowski), agrees that in these circumstances it will not be considered a vote of non-confidence in the government, then the House is simply exercising, once again, its undoubted jurisdiction and control over its own rules. It is very clearly indicating to every member of the House, including, with customary respect, yourself, Madam Speaker, that in these circumstances a motion would not be considered a vote of non-confidence.

• (1520)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I would like to be able to rely on the opinion of my learned colleague, but I must unfortunately point out with all due respect that I cannot do so because he had the choice of moving his business of supply motion under two paragraphs of Standing Order 58, that is either paragraph (9) or paragraph (11). If he reads both paragraphs closely, he will realize that if he wants a vote by roll call, despite what he would like to do, he must proceed under paragraph (9) of Standing Order 58, which calls for a non-confidence vote.

In other words, what he is trying to do is to amend unilaterally the Standing Orders of the House because what he is asking us amounts to saying: Let us have a vote under paragraph (9) of Standing Order 58, but let us not disregard paragraph (9) under consideration because we do not want it to be a non-confidence vote. To do what he asks, we would need the unanimous consent of the House and we would have to follow the usual procedure to amend the implementation of our Standing Orders. However, this has not been done and I do not believe that he intends to do so. In this case, he has chosen paragraph (9) of Standing Order 58 which calls for a vote of non-confidence, and we are bound by the Standing Orders. We have no choice. He should have simply requested an allotted day under paragraph (11) of Standing Order 58. He would then have had no problem. He would have had his debate and the House would not have had to vote on a non-confidence motion against the government.

In conclusion, what I want to say is this: it is not up to the Leader of the Opposition to determine the value of paragraph (9) of Standing Order 58. The rules are there and we are bound by the Standing Orders, which tell us that when a motion calls for a vote under Standing Order 58(9), it is automatically a vote of non-confidence, and this is confirmed by the terms used in paragraph (11) of the same Standing Order 58. Obviously, in view also of the notice printed in the Order Paper, we have no choice but to vote against this motion if we want to avoid a vote of non-confidence against the government.

Madam Speaker: I simply want to point out to the Right Hon. Leader of the Opposition that this is precisely what I stated in the last paragraph, namely that this motion will be moved, debated and voted on as provided in our Standing Orders. That is all. This motion will be decided by the House. However, it was my duty to point out to members of this House that the motion before them had been moved under the provisions of Standing Order 58(9) and that one of the paragraphs of this motion seemed contradictory to the provisions of Standing Order 58(9). It was my duty to point this out to the House. However, as I have said, I shall not become involved in the debate on the interpretation of what constitutes a non-confidence motion against the government. I believe that the House can settle this issue in the usual way.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Hon. Don Mazankowski (Vegreville) moved:

That this House expresses its deep concern over the abandonment of 19 per cent of the VIA Rail passenger network, which will take place when Order in Council P.C. 1981-2171 is implemented on November 15, 1981;

that the House recommends that the government delay the implementation date for Order in Council P.C. 1981-2171 to at least September 27, 1982, the date commuter rail service in Quebec and Ontario is presently scheduled to terminate under the same order;

that this House refers the subject-matter of Order in Council P.C. 1981-2171 to the Standing Committee on Transport to enable the committee to evaluate the economic, social, statistical and legal basis for the decision to diminish rail service, and instructs the committee to report its conclusions and recommendations to the House by June 30, 1982; and

that, to facilitate the support of this motion by all honourable members, and notwithstanding any Standing Order, practice or precedent, the House does not regard the passage of this motion as a vote of non-confidence in the government.

He said: Madam Speaker, at the outset I must say it is quite obvious that hon. members on the other side are scrambling and a bit nervous over this motion. But contrary to what the government House leader has said, the motion is not put forth in the context of being a tactic. It is a very reasonable motion. It is a responsible and realistic motion. It is not meant or intended to offend or embarrass anyone. I want to say very clearly and unequivocally that the motion is put forward in a sincere and constructive manner.

I believe, notwithstanding what the government House leader has said, that it does deserve the consideration and support of all hon. members who support the principle of fairness. The motion also deserves the consideration and support of all of those who believe that we need an adequate rail passenger system in this country. It is also important for members on all sides of the House to recognize that rail passenger service, rather than being considered a mode of the past, is indeed a mode of the future. This motion gives all hon. members an opportunity to recognize that with higher energy prices now is not the time to be cutting back rail passenger services or public forms of transportation. We should be engaged in efforts to expand these kinds of services rather than reducing them.

Lastly, this motion gives all hon. members an opportunity to associate themselves with the very severe hardships that will be imposed upon hundreds of thousands of Canadians who will be deprived of service when that service is withdrawn, and who will have no other alternative. There will be hundreds, if not thousands of people who will be losing their jobs. This will have an impact upon their families. There will be uprooting of

families. People will have to move to other localities. There will be many others who will be affected indirectly as well as a result of these cuts. There may be others who will be facing very serious decisions and urgent consequences. In particular I am thinking of the small-business men who rely very heavily upon rail passenger service, especially in areas where tourism is an important fact of life. In short, we believe that the impact of these cuts will deliver irreparable social and economic damage to various regions throughout the country.

Furthermore, we have reason to believe that there are a number of members on the other side of the House who are not in support of this decision. This motion clearly gives them an opportunity to stand and vote and to make their position known.

We believe that the cutback decision should be deferred. It should be deferred on the basis that there are a number of factors that were not taken into consideration when this decision was made. As we recall, this decision to cut back services was taken by the minister and his cabinet colleagues in a unilateral, arbitrary manner. We believe that decision is short-sighted, illogical and very damaging. The decision was announced when the House was not in session. Instead the minister made this major policy announcement by way of a press conference and press release. The decision was conveniently deferred until the House of Commons had adjourned, and I might add the House was forced to adjourn as a result of closure.

There are a number of reasons why we take exception to both the decision and the process. First, we believe that the minister and his colleagues have not accurately assessed the very severe social and economic damages that this decision will inflict upon countless hundreds of thousands of Canadians.

We contend, and this has been proved beyond a shadow of a doubt, that the massive bulk of the train services that are being discontinued are used very heavily. They are needed. There is also no alternative means of transportation offered to those people who will be forced to survive without rail passenger service.

● (1530)

Let me look at the Toronto to Barrie run. I quoted these figures the other day and I think they are worthy of quoting again. For example, the Toronto to Barrie run has seven to eight coaches carrying 425 to 500 passengers in each direction daily. The Toronto to Stouffville run carries 300 to 350 passengers in each direction daily. The Toronto to Havelock run carries 200 to 275 passengers in each direction daily. The Winnipeg to Jasper and Vancouver Supercontinental carries an average of 350 passengers, and that figure obviously goes down in the winter and goes up in the summer. The Montreal to Mont-Laurier weekend service carries 1,200 to 1,600 people. That is the number of people who use this single service.

Let us go to the Atlantic service which has been described as the most successful train service of the whole VIA Rail system. That was stated by a senior official of VIA Rail. In the winter months this train averages between 200 and 250 passengers, and in the summer months the Atlantic averages between 400 to 600 passengers. It is very clear that these services are used and are needed.

It is also important to recognize that during the 1977-78 period there were some very extensive hearings conducted by the Canadian Transport Commission during which they reviewed the needs of Canadians relative to rail passenger services. They brought forth a structure which they described as an irreducible minimum. What this decision is doing is essentially flying in the face of that decision which was arrived at through consultation and extensive public hearings.

I would also deal with the other impact, which is the direct loss of jobs. The minister has indicated that 1,600 jobs will be directly affected. However, there will be countless hundreds of other jobs that will be dislocated as a result of these cutbacks. We have already had an announcement by CN that 560 positions in CN's three main shops will be affected with one fifth of the positions being affected in Moncton, two fifths in Montreal and two fifths in Winnipeg.

We also have further evidence. The Winnipeg Labour Council estimates the job loss in the greater area of Winnipeg will be no less than 500. VIA Rail has also issued some 313 lay-off notices, 166 occurring in western Canada and 133 in the Atlantic region and the province of Quebec.

The impact on small business, particularly the tourist industry, is another aspect of concern. We have one community which will be hit extremely hard, the community of Jasper. It is basically a one-industry town, its major industry being tourism. There has been well documented evidence that between $6 million and $10 million worth of tourist revenue will be lost as a result of the withdrawal of this service. We all know as well, and I put this on the record yesterday, that some 25,000 Japanese tourists who come to this country use the train when visiting us and they are big spenders, spending an average of $2,000 per person in addition to their transportation and accommodation. That tourist potential is threatened by these cutbacks.

I could go on and on but my other colleagues will be elaborating further on the specific impacts that will result in the various regions of Canada.

The second reason we have serious doubts about this decision is based on the matter of the rationale used by the minister in bringing this decision forward. First of all I have to say it is really very difficult to understand how the minister can revitalize the system by abandoning it. I really do not understand that and I hope he will attempt to enlighten us. We know that this is largely a political decision.

On the question of data, the data have been challenged in every corner of the country. There is inaccurate information. Costs are inflated and revenues are understated. There are a lot of questions arising from the fact that many of these statistics are outdated. In many cases we have estimates of load factors and occupancy rates that are outdated. In a very global way there is a shortage of data and, furthermore, there

are serious questions and suspicions about the accuracy and relevancy of that data. As a result, this creates a large gap in terms of public confidence when the minister and his officials try to rationalize the reasons behind these cutbacks.

The minister says there is to be a saving of $100 million as a result of these cutbacks. Some $30 million of that will have to be paid toward labour people giving them assistance in job retraining and job relocation, so we really get down to $70 million. One really has to question whether, by reducing the services and taking away that revenue potential which is generated as a result without appreciably reducing those fixed costs, that savings of $100 million can really be realized.

The third reason we have serious reservations about this decision is that we do not believe VIA Rail has been given a fair chance. Quite frankly it is hardly a legitimate offspring. The problem of VIA Rail can probably be described best by one word, and that is "neglect". As a matter of fact, if we look at the 1980 report we will see that 1980 was the first year in which VIA Rail had control over all rail passenger services in this country. That really becomes a benchmark for its future. It is really strange that while it has had one full year of operation in control of all rail passenger services in 1981, it is going to be emasculated to the point that one fifth of the rail passenger service in this country will be lost. Notwithstanding the fact that it has had the cards stacked against it, it has increased its ridership by 41 per cent since 1976 or 1977. The occupancy rate is well over 50 per cent. It has not been given sufficient resources. The equipment being used is archaically out of date. As a matter of fact, when we look at the statistics of the equipment inventory we find that 67 per cent of the equipment used by VIA Rail is between 26 and 30 years of age; 23 per cent of its equipment is over 30 years of age. As a matter of fact, VIA is still using, I believe, 102 units which are air-conditioned through ice-activated mechanisms, so they are hopelessly out of date in terms of upgrading the equipment to realistic modern technology.

It is true that VIA has not been given sufficient rersources to re-equip. It is true that VIA has not had the necessary autonomy or a clearly defined mandate described by government and/or Parliament. It has not had a realistic costing order, which accounts for about 63 per cent of its total expenditures. It has not had proper contractual arrangements in its dealings with the railroads. It still has done reasonably well notwithstanding the fact that it has old equipment and paid some $70 million to both railways for equipment that would probably have been scrapped had VIA not been created.

There are some very major questions regarding those aspects, but the biggest question revolves around the costing order. The costing order really strikes at the heart and the core of the issues we are debating. The operating agreement signed between VIA and the railways locked VIA into a payment system which has contributed greatly to its present state of crisis. It is hard to believe, but charges have escalated beyond control. In his testimony before the Commons committee the president made this point very emphatically. He said that charges for transportation and maintenance represent well over 60 per cent of VIA's entire expense budget. The CTC costing order serves as a basis for these charges and it was agreed to by all parties including VIA, the railways and the government. I am told the corresponding level of costs for Amtrak, its neighbour to the south, is something in the order of 25 per cent.

● (1540)

This order was developed in 1969 as a means of prorating railway costs to passenger services performed and were then the basis of subsidy payments to the railways in compensation for these losses under the National Transportation Act of 1968. In those days the railways dealt only with the Canadian Transport Commission which audited and verified the costs claimed under the costing order and authorized corresponding subsidy payments.

The railways had originally helped to establish the basic rules of allocation under R-6313. They naturally had a vested interest in seeing that the allowances were generous, and also that the rules were changed and interpreted to make them even more generous. Costing order R-6313 has now apparently evolved into a system designed to allocate long-term variable rather than short-term avoidable costs to the passenger services and the difference is profound. The new levels may be as much as twice as high as the former levels. Moreover, the costing order works as a sort of honour system whereby the railways make the allocations and the government, or VIA, pays.

Post auditing by the CTC runs behind and is limited to a review of methodology and bases of charges and not to the actual levels of services. That is where you have this matter of the thirteenth billing that Mr. Roberts keeps complaining about. I might say that in 1980 I believe the payments to both railways amounted to somewhere in the order of $356 million. That is essentially the core of the problem.

It is interesting to note that what we are really dealing with here is that the railways are submitting bills to VIA Rail which VIA Rail has no way of challenging, bills which are basically openended, which are cost-plus. It is similar to what the railways in the United States wanted when Amtrak was set up. They chose a different route.

I am quoting now from a report to the Congress of the United States by the U.S. comptroller general. He referred to VIA and said:

> The railroads charged Amtrak $305 million in fiscal year 1980, accounting for over one fourth of Amtrak's operating expenses—

It goes on to point out that in negotiating the original agreements, the railways wanted Amtrak reimbursed for all their direct costs, the passenger services and facilities, plus an array of other payments for indirect costs, management fees, return on investment and profit. Since Amtrak was taking over substantial passenger losses from the railroads, it believed Congress intended for it to pay no more than the direct operating costs of the trains the railroads would be running and not pay the railroads a profit. Accordingly, Amtrak negotiated contracts requiring payment only for railroad

expenses incurred solely for the benefit of passenger services, plus payments for certain costs common to freight and passenger service determined to be avoidable for the railroads if passenger services had not been provided. That is a very fundamental difference.

Mr. Pepin: It is the same thing.

Mr. Mazankowski: The minister says it is the same thing. I hope he can prove that to us today in the course of the debate. It is a fundamental difference.

In the case of VIA, the charges are not fair. The minister must be in total and fundamental disagreement with the chairman and president of VIA Rail because that gentleman says the situation is unfair. VIA Rail wants to go to fixed base contracts. Why has the minister not done something about this? Why has the minister not rescinded R-6313 rather than—

Mr. Pepin: Why didn't you?

Mr. Mazankowski: We were considering it.

Mr. Pepin: Oh, yes.

Mr. Mazankowski: That is for sure.

Mr. Pepin: You were studying it. I am studying it too.

Mr. Mazankowski: The charges are not fair. The minister knows that. It is really a bookkeeping item. Rather than a major dismantling as the minister is proposing, a new costing order should be arranged. The minister knows that. He could use Section 64 to rescind costing order R-6313. He could do that very easily. He is so anxious to use R-6313 to take away passenger services from Canadians. Why does he not do something to get his own house in order?

Mr. Pepin: I will.

Mr. Mazankowski: We seriously question the legal and moral right of the minister arbitrarily to slash rail services in this country by 20 per cent without following the traditional practice. We believe the minister's actions constitute a violation of the spirit of the National Transportation Act and, indeed, the intent of Section 64. Quite frankly, we believe that it denies Canadians the opportunity to apply the rules of natural justice. I could go on for some time on this theme.

I say to you, Mr. Speaker, that it is dangerous. It establishes a dangerous precedent. It undermines the integrity of the CTC. Will the CTC be abolished with the same stroke of the pen that the minister has used to abolish one fifth of VIA Rail services in this country? He may as well because it was so crassly circumvented, Mr. Speaker. As a minimum he should now take steps to ensure that the role of the CTC is clarified.

What does all this mean? If the minister is allowed to get away with this, does it mean he can now unilaterally and arbitrarily abandon any branch line in western Canada as he sees fit? The basic network is guaranteed to the year 2000. The minister, if he is allowed to get away with this, with one stroke of the pen could dismantle the basic network.

Mr. Pepin: Hypothetically, yes.

Mr. Mazankowski: The minister agrees with me. That is very dangerous.

Mr. Pepin: Hypothetically.

Mr. Mazankowski: What about ferry services? The federal government provides some $200 million in support of ferry services. If he decides unilaterally and arbitrarily to discontinue that support, could he do it? I suspect he could. If he gets away with this, I suspect he could do that.

What about the statutory freight rates? They are enshrined in the same law as Sections 260, 261, 262 which guarantee some semblance of rail passenger services in this country. If the minister is allowed to get away with this with just a stroke of the pen, he could undo the statutory freight rates.

Mr. Clark: That's right. And he would.

Mr. Mazankowski: We know that CN and CP have never been relieved of their responsibility to provide rail passenger services. That was never done when VIA Rail was established. What does that mean? If VIA withdraws, are CN and CP responsible for providing those passenger services? These things must be clarified.

Consider air services. The minister could unilaterally dismantle air services to any community in Canada if he is allowed to get away with this. He says it is in the public interest. He says he knows what is best. He does away with 20 per cent of VIA services this year. He could repeat that again next year and he probably will. The minister should not get away with this, Mr. Speaker. The implications are too far-reaching. He thinks he is on the right course and he is proceeding with a great deal of assurance and confidence. Yet he chooses to ignore the traditional process which is part of the Canadian way, the right to hold public hearings, to be heard and have an opportunity to express concern about the criteria of public convenience and necessity. This has all really gone down the drain. If the minister is so sure he is right, why does he refuse to take his case to the people, to the court of the CTC, or the court of the transportation committee?

Another thing which is very disturbing, Mr. Speaker, is that there was not one word mentioned about the dismantling of rail passenger service by the Liberal party in the last election. Not one word. There was not a word mentioned about the changes to the constitution, for that matter. Nor did we hear anything about the doubling of energy prices. So I suppose in that regard they were at least consistent.

An hon. Member: They talked about double track.

Mr. Mazankowski: Yes, we did hear a lot about double tracking. We can only conclude that the Prime Minister (Mr. Trudeau) dropped his double track and all we have in its place, rather than "double-track Trudeau", is "no-train Pepin".

An hon. Member: We got double-crossed.

● (1550)

Mr. Mazankowski: The fifth point, and perhaps the most important, is that there are alternatives to the cuts the Minister of Transport is proposing. I have mentioned that there are changes which can be made to the costing order. There should be improvements in the contractual arrangements between the railways and VIA Rail. We should give VIA Rail the necessary autonomy, power and clout to negotiate with the railways in a business like manner. The VIA Rail mandate should be clarified and enshrined in legislative form. Surely there are improvements which can be made in terms of productivity and the trimming of frills and supervisory and administrative fat. I think there is a clear indication that those who are using rail passenger services are prepared to pay a little more for them provided they are retained and improved. I think it is fair to say that schedules can be improved. Market improvements are certainly something which can be looked at. We have seen some very new approaches to tourist development.

The CTC has made a number of proposals, but there are four specific alternatives which have come up since the announcement of the minister to disband 20 per cent of the rail passenger service. One of them is contained in a leaked document which ended up in the hands of the *Toronto Star*, which points out that there is a proposal in which the Atlantic and the Supercontinental could be salvaged. The alternate proposal is estimated to be $2.4 million per year cheaper to operate than the government's proposal, based upon existing operations and costing methods. That clearly is one proposal which should be considered.

The second proposal is one which has been advanced by Transport 2000 which sets out to re-equip the Transcontinentals. Transport 2000 points out that an investment in new bilevel equipment would decrease operating costs by 31 per cent and that a combination of increased passenger revenues and the reduction of operating costs would reduce losses by some 52 per cent. Transport 2000 goes on further to point out that that capital which is invested in the re-equipment of the rolling stock could be paid for in seven and half years.

A third alternative was advanced by the government of Alberta. It is a very constructive, positive and responsible approach. It too involves the re-equipping of the western Transcontinental. It points out that costs could be reduced by somewhere between one half and two thirds of existing expenditures. The equipment and infrastructure would cost some $100 million. The total capital cost could be recovered through operating economies within a two year period. It also made another recommendation relative to payments to the railways based upon avoidable costs rather than the full associated costs with penalties and with bonuses included.

Then we have a fourth alternative proposal which comes from VIA Rail itself. It is very strange that after the study by Transport 2000 and the study by the government of Alberta were released we have a study appearing from VIA Rail itself wherein it too proposes the re-equipping of one train from Halifax to Vancouver for a cost of $200 million, and I understand it would cost $100 million to re-equip the other one. Was this information given to the minister before his decision was made? Does he know? Is he aware? Why was it not given to the Standing Committee on Transport? Why was it not given to members of the House of Commons so that this matter could be looked into and we would have all the facts? What is the minister hiding? What is he afraid of? Why is he hiding these things?

There are clear alternatives to the decision which has been made by the Minister of Transport. Is it asking too much to have the legislators of this country examine those alternatives or the people of this country look at those alternatives? Surely not.

This is a serious issue. It is a national issue. It is an issue which strikes at the very fundamental core of Canadian confederation, and I want to say in conclusion that I believe the government has grossly underestimated the deep feeling which exists in the hearts and minds of Canadians about the fact that rail passenger service is a link which binds this country together and keeps it united. To many it is more important than the Constitution. It is a fundamental part of confederation. We would not have been a country had it not been for the guarantees inherent in the provision of rail services.

For this reason and for the other reasons I have cited, I commend this motion to all hon. members. I hope it will be given their earnest attention and that they will see fit to support it.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I had not at all underestimated the public reaction to my announcement of July 27. As a matter of fact, I did not expect any applause and telegrams of congratulations but the government and I thought at the time and continue to think that this is the best thing we could do under the circumstances.

But people do not like it when services to which they are accustomed are suddenly being reduced, even when, collectively, they are using them less and less, and when, individually, they are not using them at all. There are some 24 million people in Canada; well, last year, VIA Rail sold 7 million tickets to the travelling public. When we realize that these include the tickets bought by commuters who travelled by train much more than once that year, we can assume that there are probably 20, 21, or maybe 22 million Canadians who never saw the inside of a train compartment that year. And yet, when we raise the possibility of cutting down on the number of rail routes, everybody or nearly everybody feels compelled to object. There are even some people who wrote to me to inquire whether I was really aware that I was attacking an extremely important Canadian symbol, a symbol which I indeed respect and which has enormously contributed to the development of our country, adding that I was thus attacking

the monarchy, which I find somewhat strange personally. I suggest that it is the current nostalgia for the rail era which is going against the government's decision.

[*English*]

There is one word in the motion which obviously is of paramount importance, and that word is "delay". The purpose of the motion is to delay. That is quite normal. When confronted with change—change that they have called for repeatedly—most people hesitate and procrastinate. I also do it occasionally! I am sure others are in the same position.

However, I was surprised that the hon. member for Vegreville (Mr. Mazankowski) should attach his name to this motion. I have great respect for him, as he knows. I think we can call ourselves friends. I listened to what he said, very carefully, not too long ago, on June 11, 1980. Speaking to the Transportation Research Forum in what was meant to be a program speech about what, unfortunately for him, he was not able to do because of his too short term in office as minister of transport, he said a number of things, and I will quote a couple of them. He said, for example, at page 9 of his speech:

> Steps will have to be taken to reduce unnecessary operation costs . . . Current high levels of service will not be able to be maintained indefinitely—
>
> On the passenger side of rail transportation, the ever increasing debt incurred by the federal government in subsidies is a major problem which will have to be dealt with.

Mr. McDermid: Not unilaterally, though.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I know the minister to be a very fair man, and it would certainly help in putting this speech in context if he included in his quotation the fact that at page 9 I was talking about the air administration when I said, and I quote:

> Steps will have to be taken to increase the efficiency and utilization of current facilities, reduce unnecessary operation costs and, generally, to make better use of what now exists.

What I was talking about was the waste of this government with respect to Mirabel, with respect to Pickering and with respect to all the Taj Mahals his predecessor put up.

● (1600)

The Acting Speaker (Mr. Ethier): Order, please. That is a matter of debate.

Mr. Pepin: There is nothing which indicates—

Mr. Clark: Tell the truth.

Mr. Pepin: You can read it. I am sure you haven't.

Mr. Clark: I have read it.

Mr. Pepin: Let's forget what I am quoting and deal with page 10.

Mr. McKnight: Don't be a coward.

Mr. Pepin: I don't think I have to take any advice from you on the subject.

Mr. Clark: Nor respect Parliament.

Mr. Pepin: Let us deal with what the hon. member said in June 1980 with regard to VIA. That is good enough.

Mr. Clark: Read it all.

Mr. Pepin: I will read the whole thing:

> On the passenger side of rail transportation, the ever increasing debt incurred by the federal government in subsidies is a major problem which will have to be dealt with. This fiscal year alone, $424 million—

He knows now it is $450 million.

> —will go toward subsidizing rail passenger service. This is especially urgent when considering the impact on rail's competition, the bus mode. If the principle of equal treatment among modes is applied—

Presumably he meant not applied.

> —such operating subsidies could perpetuate into exorbitant amounts and result in a general reduction in the level of efficiency of the system.

Mr. Clark: On a point of order, Mr. Speaker. If the minister is going to be quoting speeches of other members of the House, would he mind quoting the speeches as they are written and not edit them so that they make a case exactly contrary to that actually being made?

The Acting Speaker (Mr. Ethier): The Chair heard no mention of quoting. If the minister did say he was quoting, there may be a point, but I did not hear him say he was quoting.

Mr. Pepin: Mr. Speaker, when there is an obvious typing error in a text one is entitled to say "sic" after the word.

[*Translation*]

Mr. Speaker, there was absolutely nothing revolutionary in the decision we took on July 27 since it was basically aimed at stabilizing VIA Rail's operational budget to the benefit of its capital budget. It had been recommended in a number of previous studies and reports. Mr. Lang had reached that decision in 1976, or nearly so, but he was not in a position to implement it for the reasons we all know.

I would even suggest that had the hon. member for Vegreville had more time he would have done so himself. Short of drastically increasing his budget, the president of VIA Rail fully agrees, and I quote the statement he made recently:

> I think we now have a solid foundation from which we can go ahead—

Those are the words of the president, Mr. Roberts. And if the decision had not been taken it would have become inevitable to act, if you want, in a piecemeal fashion, haphazardly and especially without the dramatic and rapid increases in the VIA Rail capital budget which will enable the company to put more LRCs in service. I am referring to the light, rapid and comfortable units produced by Bombardier which will be rolling in western Canada and in the maritimes in the next two or three years.

I said recently—

An hon. Member: When?

Mr. Pepin: In the next two or three years—

[*English*]

Mr. McKnight: When?

Mr. Pepin: In the next two or three years. I do not think you would have had them, had the July decision not been made.

[*Translation*]

Mr. Speaker, I said recently that a number of people who are blasting me today and who are blasting the government for doing what we did will praise us in two or three years, while riding in their light, rapid and comfortable trains.

[*English*]

In this debate I have to prove, and I will do so repeatedly—and I might say I am willing to go to the transportation committee if that is the wish of hon. members—that the decision is a responsible one from a budgetary point of view and from a transportation point of view. It is also consistent with trends in Canada and elsewhere in the world. If my friends want to look they will see that what I have recommended here is being done in any country they can name. I will show them that the same general policy is being followed.

I am not being original. I am being banal. I am not being eccentric. The matter of non-recourse to the Canadian Transport Commission for public hearings is not only legal, but is wise and justified. It is the only way to go. I will try to demonstrate that more extensively in a moment.

Also, the decision is consistent with our energy-saving preoccupations and policies. There is nothing more spendthrift than a locomotive pulling 15 cars that are three quarters empty, as is so often the case.

The decision respects the interests of railway workers by allocating $30 million to assist them in adjusting to this decision. The amount of money is extraordinarily high. I want to say also that it is not unfriendly to VIA. I have already indicated that the VIA leadership is in agreement with it.

[*Translation*]

I said that our decision was consistent, necessary and responsible as far as the budget is concerned. No doubt I will be accused of being obsessed by profits and losses, it is entirely untrue. I know quite well that VIA will never pay for its own way, there has never been such a railway in the world. My criterion is not at all profits, it is not even breaking even, but there are, Mr. Chairman, some limits to what the government can earmark for unpopular services, especially in the present period of budgetary restraint.

Mr. Chairman, you are well aware of the figures which I will quickly quote. The government contribution to VIA in 1980-81 was $450 million and it will reach $490 million in 1981-82. Well, from that amount, $332 million were set aside for the operational deficit which on an average regularly increases by 20 per cent per year while $117 million were allotted to investment deficit financing this year.

As you can see, Mr. Speaker, that is almost, in fact it is more than, twice the amount allotted VIA by the government in 1977-78, namely $209 million. Subsidies therefore went from $209 to $450 million; they now amount to $490 and will soon reach $565 million. So, we see the rate is on the increase. That is not without importance. It may be worth it to point out in passing that government assistance to VIA, and the people of Canada indirectly, represents one quarter of the total Department of Transport budget. So, one fourth of the $2 billion of the Ministry of Transport will in fact be used to move passengers by train.

I have already mentioned that last year VIA Rail had seven million passengers. So, if you divide the $490 million in subsidies paid VIA Rail in that year by seven million passengers, you see that every time a person buys a ticket, the Ministry of Transports pays out $70. In the case of the Transcontinental, the figure amounts to about $160. Taking specific figures, for instance the trip from Vancouver to Montreal, the ticket will cost $191 and the Government of Canada will add another $443. If you go from Montreal to Chicoutimi, it will cost you $21 and the government $180.

I could give you all the figures, which would not fail to impress certain persons. As for the capacity rate, the average is 46 per cent for the whole network, but many lines average 5, 10, 15 per cent and no more than that. The same applies to the cost-revenue ratio: the average amounts to 30 per cent, which means that VIA recovers, on an average, only 30 per cent of its costs. But in fact there are lines where the cost-revenue ratio is only 2, 3, 10 or 15 per cent. I say this—I beg your pardon?

Mr. Clark: Those are your figures!

Mr. Pepin: Obviously we have not counted all the individuals who passed through the doors. That is a very hard thing to do, one would have to increase twofold the number of VIA employees to arrive at a precise figure. Nevertheless, and I am speaking here to the Leader of the Opposition, if we look at this data generally, what we are presenting here is an undeniable fact. In any event, it is not only in Canada, that the number of rail passengers has dropped, this has occurred all over the world, in Japan, in Great Britain, even in France. We are not making this up. The situation which exists in Canada today can also be found in the United States and in other large countries. Therefore, although the figures may not be accurate to the very last digit, there is obviously a definite trend here, even if it cannot be proven with figures that are accurate to the last decimal. It is interesting to see people's reaction when you give them these figures. I have done that several times recently. For example, Geoff Johnson of the Ottawa *Citizen* wrote a very interesting article in May 1980, and I quote:

VIA Rail

● (1610)

[*English*]

For every passenger that travels by train the Canadian taxpayer loses 19.4 cents per mile. Theoretically, he says the government could send every rail passenger by air, pick up the entire tab and still save millions of dollars.

An hon. Member: That is false.

Mr. Pepin: No, that is true. This is the same newspaperman who some weeks ago said that I was the worst thing to happen to the railways since Jesse James. Obviously, he is a bit ambivalent but never misses the chance of making a good joke and that was a good one.

Similarly, you can read some reactions of members of the press. A columnist for the Edmonton *Journal*—I am sure the Leader of the Opposition would appreciate my source—was on the same track when he said:

We cannot say on the one hand that the government spends too much and on the other call for retention of a service used by so few.

There are a great many people in Canada who believe there should be limitations. The government does not have the responsibility to maintain trains if a sufficient number of people do not wish to use them.

The Vancouver *Province* on August 5, 1981 said this:

In general, the reduction in service is to be applauded because it has checked mounting losses and given VIA some hope of being able to improve those services it retains. This is sensible.

I have quoted from the west particularly because I expected some of my hon. friends from the west to be present in the House today.

[*Translation*]

So what are we to do under the circumstances? In 1976, Mr. Lang proposed a substantial cutback in subsidies. The decision announced on July 27 does not even include that. In fact, we will be increasing the total subsidies, as I indicated, from $450 million to $490 million in 1981-82, to $506 million in 1982-83 and to $537 million in 1983-84, at least to account for inflation. So there is no cutback in government aid to VIA, far from it, we will be increasing it. What we are doing is setting a ceiling, a maximum on the operating deficit, we are saying that it will remain at $365 million for 1981-82, $367 million in 1982-83 and $355 million in 1983-84. So that is what we are doing, we are putting a freeze on VIA's level of operating costs. We are converting this money to capital expenditures for VIA Rail, and those capital expenditures will go from $90 million to $117 million, to $125 million in 1981-82, to $129 million in 1982-83, and to $182 million in 1983-84. You can readily see how very fast the capital budget of VIA Rail is growing. It amounts to $446 million in three years. Why exactly are we doing this? It is because the problem comes in fact from the vicious circle in which VIA Rail is now operating in having to attract customers and provide good service, which increases its operating costs, and of not having the capital required to make the needed basic investments.

That is the reasoning, and what we are doing now is extraordinarily simple. We are saying to VIA Rail: Listen, you have outmoded equipment which is 25 or 30 years old. Renew your stock right away and provide good service to the population, and if you do so, the number of users will increase. To do so, operating costs and deficits must be kept down to $350 or $365 million, and to do so, there must be cutbacks. That is the only way to do it.

The other option, which the hon. member for Vegreville (Mr. Mazankowski) seemed to support, would have been to negotiate an additional amount of $100 million or $200 million to VIA Rail and to prolong the current agony of VIA Rail, because this money would have gone for operating costs rather than capital expenditures. This is a very simple reasoning which is certainly not original, as I have said repeatedly.

[*English*]

The decision also is responsible from the point of view of transportation policy. It helps to define the role of railway passenger transportation in Canada. This is visible in the choice of criteria that we have used. There are essentially five. First, the primary role of VIA is to serve the major intercity markets where there is a relatively high population density, by daylight services; over distances of 800 kilometres, which is 500 miles, or less. This is not original at all. This is what is happening everywhere else in the world. If VIA increases its ridership in recent years, it is mostly in these corridors—again banal to the utmost.

Secondly, we discontinue service or reduce frequency of service on routes where the ridership, the load factor, and the revenue-cost ratio are extremely low and have no justification. In some cases, you would be embarrassed if I were to indicate what some of the realities are.

Thirdly, there is one route that few people use. It costs the Canadian government $8.75 per passenger mile. There must be some limitation to the eccentricity of government spending!

An hon. Member: What route is that?

Mr. Pepin: Winnipeg-Armstrong.

Another point deals with the two Continentals. We have decided to maintain one, and not to eliminate the second one, contrary to what some press people have said, but to convert the second Continental in part into an intercity daylight system. We have decided to do this because of social, psychological, historical, economical and political factors. On balance, we think it is a good idea.

We eliminated one of the Continentals because it is the most costly part of VIA's operation. Half of the deficits of VIA are due to the transcontinental; about $160 million. I am not obsessed by money, because I am a Liberal!—I am not ashamed of that either.

The most important reason is that the northern transcontinental in Ontario and the west is used by people as an intercity system; it is not used as a transcontinental system. For the people who wish to use the transcontinental system, they will

have the southern one; and for the people who wish to travel city to city, which is the fact in most cases, we have decided to establish a number of intercity trains.

Mr. Friesen: A point of order, Mr. Speaker. Is the minister inferring that the train between Vancouver and Edmonton is considered—

The Acting Speaker (Mr. Blaker): Order, please. If the member wishes to ask a question, there has to be unanimous consent of the House.

• (1620)

Mr. Pepin: These are again not original thoughts, Mr. Speaker. You will find them in the CTC final plan for western transcontinental passenger train service of October, 1977. If hon. members would care to read the latest report on trains in Canada, the Scrivener report in Ontario, they would find exactly what I am saying now. It says that northern Ontario people use these trains as intercity and recommends that the Governement of Canada change them from a transcontinental mission to an intercity mission.

An hon. Member: Who's that?

Mr. Pepin: That is the Scrivener report, in Ontario. I am sure you have read it.

The fourth principle or criteria has to do with the servicing of remote communities which have no adequate alternative mode of transportation.

Mr. Clark: Like Armstrong.

Mr. Pepin: That covers Senneterre, Cochrane, Hearst, Thompson, Churchill and others. Armstrong is covered by Winnipeg-Capreol.

The fifth principle is simply that commuter-like lines can play an important role in transportation but they are the responsibility of the provincial and municipal governments.

My predecessor the hon. member for Vegreville agreed with that when he was minister of transport and said, "VIA is an intercity, not a commuter, railway". So I am in very good company with the former minister of transport, a Conservative, on this question.

The provinces have begun that process. Toronto and the Ontario government are in the GO system. Quebec is moving in a similar metropolitan system, taking into account commuter trains. I am quite sure that Mr. Snow and Mr. Clair in due course will take over responsibility for the trains that we have identified, that is Havelock, Stouffville, Barrie, Sherbrooke-Montreal. I am quite sure they will do it. It is much too early in the game to start complaining about the disappearance of these trains.

I wish I had more time to show that these changes had to come.

Some hon. Members: No.

Mr. Pepin: Yes, indeed, everywhere in the world. The world has gone through three revolutions, if not four. There has been the revolution of the private automobile, the revolution of the bus and the revolution of the airplane. Come and join the twentieth century! These changes have been taking place everywhere in the world.

Mr. Malone: Except France, Japan and Germany.

Mr. Pepin: I could give you chapter and verse which indicate that the same adjustments are being made everywhere in the world.

An hon. Member: There will be a revolution of the people.

Mr. Pepin: It is not a revolution at all. There is a beautiful quote from the MacPherson report which reads as follows, although I think it is too rude:

> The railways are accused of deserting communities by withdrawing passenger train service when a more objective view would be that the communities have deserted passenger train service.

It is not the passenger train service that has deserted people. People have deserted trains. Of people travelling in Canada intercity for more than 50 miles in 1977-78, only 1.2 or 1.3 took trains. I have all the figures here and they show that all the others used other modes of transportation.

Mr. Malone: According to Professor Fred Flintstone!

Mr. Pepin: Even in Japan, the famous Bullet train which peaked at 157 million passengers in 1975 had declined to 124 million by 1979.

Mr. Lawrence: But ours is going up.

Mr. Pepin: I should like to spend my last five minutes talking about why we did not go to the CTC. First of all, I do not have to take any advice about respect for the CTC; I am as respectful of the CTC as was my predecessor. Let me explain this to the House in four points. The first is this.

[*Translation*]

It was within the law. The Leader of the Opposition realized that not long ago. At first he protested, saying that was not allowed under the act, pursuant to Section 64 of the National Transportation Act 1967. But why does the act permit the use of an order in council in that case? I shall tell you why. It is because there are circumstances where it is necessary to take a comprehensive approach instead of having recourse to the CTC, which relies on ad hoc procedure. There is no way we could establish a general plan by asking the CTC to make individual studies of each route. The only solution would be to issue the CTC, the Canadian Transport Commission, with guidelines that would include decisional criteria, which would amount to telling the CTC: Listen, first of all you will have a ceiling, like the Minister of Transport; your ceiling will be $500 million. Second, VIA Rail's essential role is interurban transportation; we think this is vital. Third, I think we need a transcontinental train. Fourth, make sure isolated communities

are protected. Fifth, listen, commuter trains are a municipal and provincial rather than a federal concern. Well, this is exactly what it says in the decision of July 27. In other words, to make the changes I would have had to tell the CTC: here are the criteria, here is a directive from the federal government, there is no other way we can carry out the changes we want. And obviously, if I had done that, as my friend Mr. Lang found out in 1976, everyone would have said: He is twisting the CTC's arm—

The Acting Speaker (Mr. Ethier): Order, please. I am sorry to interrupt the hon. minister but his time is up. The hon. member for Regina West (Mr. Benjamin) has the floor.

[*English*]

Mr. Les Benjamin (Regina West): Madam Speaker, I welcome the opportunity to take part in this debate and to say at the outset that we are in agreement with and will support the motion proposed on behalf of the official opposition by the hon. member for Vegreville (Mr. Mazankowski). I shall move an amendment that I believe will also receive the support of hon. members on all sides of the House, or if not the support, at least the sympathy.

The motion proposed by the hon. member for Vegreville is very moderate. It only asks for a one-year delay, when I suspect that his view, the view of his colleagues and certainly my view and that of my colleagues, is that the order in council of the cabinet should be totally rescinded. To be reasonable, however, to be moderate, and in an effort to persuade the government to change its mind and at least restore some of the routes which are viable, we have opted for this mild, reasonable request.

John Kenneth Galbraith said that in the nineteenth century people distinguished between railway barons; there were those who robbed their customers and those who robbed both their customers and their shareholders. The Minister of Transport (Mr. Pepin) deserves the dubious distinction of robbing both VIA Rail customers and the taxpayers of Canada. The Jesse James and the "Lang gang" ride again!

Had this cabinet been in power in 1881, Mr. Speaker, it would have scrapped the idea of building a transcontinental railway. The simple minded idea of Reaganomics practised by this government is completely at odds with the geography, climate and the location of the people of Canada. In simple economic terms, if you follow the logic of the Minister of Transport to its conclusion, it would be much cheaper to close the St. Lawrence Seaway. There is a great deficit there. It would be much cheaper to shut down the railroads. There would be no need then for branch line subsidies, the At and East rates or bridge subsidies. If we follow the minister's logic, it would be cheaper to shut down the airlines. He moans and groans about the deficit incurred by VIA Rail. It has always been the case since this country was settled, and it has always been the case in every other country in the world, that not a single mode of transport ever paid its own way.

• (1630)

What does the minister want to do about the marine transport subsidies of $320 million last year? Under Section 64 of the National Transportation Act, he could shut down all shipping, if he goes to the exaggerated extreme that he has gone to in the order in council he passed regarding VIA Rail.

In 1979, air user charges were covered 38 per cent. What a cost to run our airports! There was a $476 million subsidy to airlines. The minister, if he wants to follow his transportation logic to its conclusion, should be shutting down airports and cancelling airline routes instead of acting like a fifteenth century Pope, dividing the world up between the Portuguese and the Spanish, by dividing up Canada among a bunch of airlines.

In addition to that $476 million deficit, the government wrote off $600 million worth of debt for Mirabel. One does not hear the minister moaning and groaning about that. On our roads and highways, our licence fees, fuel taxes, fines and revenues the municipalities, provinces and the federal government can recover only 55 per cent of the cost of operating, building and maintaining our highways. That amounts to a $3 billion a year subsidy for highway users.

Why is the minister picking on VIA Rail? I think it is because the Treasury Board and the cabinet told him to spend $100 million less and to pick out the easiest victim. He picked out VIA Rail and gave them two choices: it is either compulsory, or they have to! The president of VIA Rail was phoned up and given his orders to reduce services to save a supposed $100 million.

Mr. Pepin: Talk about the number of people using these trains.

Mr. Benjamin: The minister wants me to talk about the number of users. The number of people riding has been increasing at a record rate, far beyond what even CP and CN were able to do in their last three years. But it cannot increase any more with current policy. I am surprised that it has increased as much as it has while the minister, through government policy, has a mandate for VIA Rail to operate railway passenger trains on the basis that if one runs it old enough, late enough, slow enough and dirty enough so that no one will get on it, then one can cancel it.

Some hon. Members: Hear, hear!

Mr. Benjamin: That has been the practice. The minister and the government have victimized VIA Rail. They created the child and are now in the process of making an orphan out of it. VIA Rail got stuck for over $77 million worth of outmoded equipment which it should have gotten for $1.

The minister talks about $100 million in savings. There are built-in costs to that debt which VIA should never have had in the first place. The government started VIA Rail out in the same way it started the CNR in 1920 and 1921, with a debt which it can never live long enough to pay off. It is designed and set up to fail.

While every other industrialized nation in this world, even undeveloped countries, are making massive investments in new, modern, fast intercity and commuter passenger services, this country, which used to lead the world, is running 25 to 30 years behind. We should be making an investment, not in ten new LRC sets, but in thirty.

Mr. Pepin: Agreed.

Mr. Benjamin: The minister says he agrees. Well, how come the orders have not been placed? One needs three years of lead time just to get deliveries.

Mr. Pepin: We will, in the fall.

Mr. Benjamin: The minister says he is going to save $100 million. He has already said that he is going to spend $30 million to help out those workers. He can make a decision which callously does away with 1,600 people, and he is going to spend $30 million to make it easy for them. That leaves $70 million in the first year.

Mr. Pepin: Different accounts.

Mr. Benjamin: Forty-eight per cent of the costs of operation are direct costs: wages, fuel—

Mr. Pepin: They are not.

Mr. Benjamin: Direct costs. There goes $48 million he will save. Where is the other $52 million? The other $52 million is going to get transferred to the remaining VIA Rail routes.

Past experience has shown that savings are not realized by abandonment. The minister has not taken account of the revenue lost from the routes to be abandoned.

By the way, I remind the minister, as he talks about the CTC and all the great respect he has for it, that the CTC held hearings on 15 of those 21 routes since 1976, and ordered that all 15 be retained. When the CTC spoke about the transcontinental routes, it said that they were at the irreducible minimum. So much for the minister's great respect for the Canadian Transport Commission.

An hon. Member: Shame.

Mr. Benjamin: I have asked his department to give me a breakdown in savings, by each route. For some reason or another, I cannot get it. I wrote to the Minister of Transport on September 16. I first wrote to him on July 31, and he sent me a non-answer, signed by his parliamentary secretary. I wrote to him again on September 16. He still has not even acknowledged my letter—let alone answered it—concerning turning this subject over to the House of Commons committee on transport.

The $100 million that the minister throws around is apparently the $61 million in operating costs for the abandoned services, plus the estimated savings using LRC routes not being abandoned. That is stretching the point, to claim this to be a benefit of abandonment. Past experience shows that savings are not realized by abandonment. Forty-eight per cent is saved by direct charges: wages, fuel, maintenance. The balance of the overhead costs will be shifted to the remaining passenger services, so that more routes will show a loss, increasing their apparent losses, or costs will be transferred to freight services, which I do not see the CPR or the CNR readily doing.

The minister talks about Winnipeg-Armstrong. Is the minister unaware that the Winnipeg-Armstrong service is a mixed train? It pulls mostly freight cars and a couple of passenger cars, all of which is charged to passenger service. So much for his inexcusable excuse for a service from Winnipeg to Armstrong. He does not know anything about railroading. Anyone who would treat places such as Edmonton, Saskatoon, and our national capital, Ottawa, like backwoods villages is not deserving of the name "transportation minister".

Both the transcontinental routes, the Supercontinental and the Canadian, are used to capacity in the summer and in the peak periods of the wintertime, and the Atlantic Limited hauled 256,000 people last year; yet the minister wants to abandon them. That is not railroading; that is throwing up one's hands and giving up. One will not entice more people out of their automobiles and out of short-haul aircraft flights, which is the most inefficient way to move people, by having no trains. If one is not going to provide the equipment, the service and the schedules, why should people get on the trains which are left? I have a copy of the transcontinental passenger train schedule for 1892. Across Canada it made an average speed of 47 miles per hour. Does your Honour know what it is today? It is 39 miles per hour. So much for this modern revitalization by the minister of VIA Rail. On some of the routes which he now proposes he will have an average speed of 20, 22 or 29 miles per hour; and the minister wonders why no one will get on the train! What a back-asswards way to encourage people to take the train! What a way to set up a national rail passenger corporation! It is designed to lose.

Mr. Deans: You should try riding the train.

Mr. Benjamin: We are not talking out of some sentiment for the days of the steam engine and the wail of the locomotive whistle across the prairies. We are talking about the most sensible, economic transportation reasons for enlarging and revitalizing our national rail passenger transportation system. We should look at countries with geography and climate similar to ours, such as the Soviet Union and the Scandinavian countries, which have electrified over 100,000 kilometres of track. Trains are run at speeds of up to 100 miles per hour north of the Arctic circle. Australia has rebuilt its transcontinental railway system from Perth to Sydney. We should also look at what the Japanese, the French, the British and the West Germans are doing in rail transportation. They are making the investment, and the return on that investment is more than compensated for by the savings they make in other expenditures in other parts of their economies, whether in the construction of superhighways, fuel costs, environment or safety—you name it.

• (1640)

I do not understand the continual insistence on clinging to the 1890s concepts of rail transportation. The minister spoke about getting into the 1980s and 1990s, but he is still riding in the 1950s and 1960s when the CNR and CPR were trying to get out of the passenger business, and that is what he is trying to do as well.

There is no policy commitment by this government to make sure that VIA succeeds. This government wants to save $100 million by cutting back all these routes. But on the other hand, the government will turn around and spend, I predict, $100 million to establish a short takeoff and landing service for Toronto, Ottawa and Montreal, something we need like a hole in the head. Can you imagine anything so ridiculous, Mr. Speaker?

The Government of Canada has authorized VIA Rail to get ten LRC trains. They will cost over $100 million. They are to run along the Quebec-Windsor corridor. Now the government is going to establish a STOL service between Montreal, Ottawa and Toronto. But what is that for? The government will have two government agencies cutting each other's throats to get the same passengers.

Mr. Pepin: But a different clientele.

Mr. Benjamin: If the policy of the government is to get people out of automobiles and off short-haul scheduled airline routes by establishing LRC trains and competing STOL aircraft service in the Quebec-Windsor corridor, the minister has another think coming.

Instead, the minister is spending $100 million in each place for two government agencies to cut each other's throats. How ridiculous can you get? The minister does not know anything about transportation. He never has. He does not know one end of a boxcar from another.

Mr. Fulton: He does not know one end of a horse from another.

Mr. Benjamin: I want to move an amendment to the motion. If the minister will not leave this matter in the hands of the CTC, perhaps he will agree for the House of Commons Standing Committee on Transport to hold hearings. The government may want to make it a joint committee, I do not care. But by holding hearings, the people of Canada, officials of his department, the minister himself, representatives of VIA Rail and the railroads can appear. In this way the matter can be fully aired. We can give the committee until the end of June next year to complete its hearings.

There is another committee in this House besides the transport committee of which the minister is fully aware. This committee is questioning and casting some doubts on his and his cabinet's decision concerning the cutbacks. No hearings have been held concerning this matter. There have been no opportunities to rebut the reasons of the minister or of the executive, which has proceeded by fiat. The order has not been used to overrule a recent decision of the CTC, but there has been a series of decisions extending back over a considerable period of time, decisions which have been acted upon and upon which the public had placed reliance. The public placed reliance on the decision of the Canadian Transport Commission on 15 of those 21 routes. I submit this is a breach of tradition in the country, even if it is a skilful use of the wording of a statutory provision, which it is probably fair to say is not designed for such a purpose.

If the governor in council can change the decisions of a commission, how far back can they range? They have ranged all the way back to 1976 CTC decisions concerning transcontinental passenger trains. Hearings were held before which members of this House from all sides appeared, along with members of the Senate. These hearings were held across the nation. The minister and the cabinet go back five years to rescind a decision of the Canadian Transport Commission. Yet the minister tells me about all the respect he has for the CTC.

This kind of massive abuse and misuse of Section 64 of the National Transportation Act means that the minister and the cabinet by order in council can cancel the rest of the VIA Rail passenger rail service. The government can abandon all branch lines. It can cancel all airline routes. It can wipe out the St. Lawrence Seaway. It can wipe out shipping. It can wipe out any damn thing the government wants to wipe out without any recourse to Parliament or any agency of government.

Mr. Deans: This is a shameful abuse of power.

Mr. Benjamin: When the minister professes to me his respect for the CTC, respect for public input and respect for people who know something about running railroads, as far as I am concerned, he is a loser. I do not mind his losing so much, but I do mind when he causes the whole nation to lose in light of our energy crisis. Every other industrialized nation of the world, even underdeveloped countries, are buying our trains, our equipment, our technology and our expertise. But are we using it here? No, we are not.

It passes all understanding how the minister can get up and try to justify this kind of thing. We are not trying to justify the retention of all 21 routes, but I submit that at least half of them are viable. You cannot ignore places such as the national capital, the capital of Alberta, the second largest city in Saskatchewan, Jasper, Melville, Watrous, Raymore and Biggar. You cannot ignore the Jasper to Vancouver route. It is outrageous to ignore these places.

Therefore I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the motion be amended by deleting the third paragraph and substituting the following therefor:

"That this House refers the subject matter of order in council PC 1981-2171 to the Standing Committee on Transport to enable the committee to evaluate the economic, social, statistical and legal basis for the decision to diminish rail service, with authorization to hold public hearings and to travel from place to place in Canada, and instructs the committee to report its conclusions and recommendations to the House by June 30, 1982;"

Right Hon. Joe Clark (Leader of the Opposition): Mr. Speaker, let me say at the outset that the amendment just

moved by the hon. member for Regina West (Mr. Benjamin) is one that we find acceptable. We would recommend it to all members of the House of Commons who are interested in ensuring that the Parliament of Canada function effectively and that the rights of Canadians to a public hearing and to appear before a parliamentary committee on a matter that strikes at the heart not only of our local communities but also at the heart of the unity of this nation are respected.

We are dealing with a matter that goes to the root of what Parliament is all about. We have a situation here where the rights of individual Canadians have been ignored by a government which has run round a procedure established under the law to ensure that citizens would be heard. The government avoided that right. The Parliament of Canada now is seeking the opportunity to give citizens who are affected by an arbitrary government action the right at the very least to be heard.

I point out to the House that this is the first day in this session of Parliament in which the topic of debate can be established by this party. We have used this first day to have this item discussed, it is of such paramount importance to us, not only in its substance, but also as a symbol that the people and Parliament of Canada will not sit idly by when a government acts in a unilateral and arbitrary way to wipe out their rights.

Some hon. Members: Hear, hear!

Mr. Clark: I want to say one thing in quick passage, Mr. Speaker. Early on in the day the government House leader said that he would regard this motion as a vote of non-confidence. He knows that is false. He knows that the House of Commons has the right, and has had since this institution was established, to establish its own rules. What this motion provides is that the House of Commons would temporarily, in this instance only, amend the rules of the House, to make it clear that to vote for this motion would not be a vote of lack of confidence in the government. That is very important because it frees Liberal members of Parliament to vote in favour of their constituents, even though it means voting against their minister. That, I suggest, is a matter of fundamental importance to the functioning of this process.

Let me just say that we have often heard from the government, when we have raised questions, that if we really wanted to pursue those questions and really wanted to have them resolved, then we could have them raised on one of the allocated days, one of the days given to the opposition when we have the right to raise a question.

• (1650)

Now there is a new wrinkle being added by the government. It says we can raise those questions but we cannot have the government act upon them; we cannot have Parliament act upon them. It attempts to impose yet another muzzle on the rights of this Parliament to effect even our own agenda and our own freedom to act. It attempts in one more way to put one more shackle on the beleaguered backbench members of the Liberal party so they will not vote for their consciences and their constituents against the arbitrary decisions of the government.

I have had to use in recent days the phrase "legal trickery". I used that phrase in another context. If this government tries to evade the opportunity to vote for the right of Parliament to look into this question, tries to evade it on the argument put forward by the government House leader, that will be another instance of legal trickery, and it will be another indication that this government is more interested in finding ways around the rights of the public than it is in serving the rights of the public.

The minister made reference to what is the most important phrase in this motion, and that is that the matter be delayed to allow the people of Canada to have facts that are more current and more accurate than the facts the minister is using, to bring their evidence forward and not have their rail lines torn away without the opportunity to be heard. It provides also for a general review, given the amendment of the NDP, with public hearings and the right to travel, so that interested Canadians, including Canadians with more expertise than we believe exists in some parts of the Department of Transport, can come forward, put their expertise forward and defend and advance their interests in seeking to ensure a far more effective rail passenger service in the country.

I am not going to deal at much length with the minister's remarks, which I must say I thought damaged his reputation in this House—and I refer to his attempt to misquote the speech by my colleague, the hon. member for Vegreville (Mr. Mazankowski). If he is going to quote people in the House of Commons, I suggest two rules to him: One, he should not repeat his attempt to change the text of the matters he is quoting; and, second, that he quote the whole speech and not select at random items of it that give a false impression of the point that was made in the over-all speech. He quoted one phrase. He said it is important that the problem be dealt with.

Miss Bégin: This is incredible!

Mr. Clark: The minister says it was an incredible performance by her colleague, the Minister of Transport (Mr. Pepin). I agree, it was *incroyable* for the Minister of Transport to act in that way. The language that was used was that it was important that the problem be dealt with. That certainly is the case, it is important. The Liberals would deal with the problem by eliminating passenger rail service. The Progressive Conservative government was dealing with the problem by giving VIA Rail a chance to prove itself, and that is what we believe this Parliament and this government should do.

There are two basic issues here. One is a question of substance, the attempt by the Government of Canada, acting unilaterally, without consultation and without public hearings, to end by the stroke of a pen 19 per cent of the rail passenger service in the country, and to do that on information that is out of date and that is false.

I was amazed to hear the minister quoting the MacPherson report. The MacPherson report was written in the 1940s.

Mr. Pepin: In 1961.

Mr. Clark: All right, it was written in the 1950s and published in 1961; it is only 20 years out of date. What I would suggest to the Minister of Transport is that if we are going to make decisions that affect the future of this country, we should be using current statistics and not statistics that are 20 years out of date.

Mr. Pepin: I was trying to say that all the reports said the same thing.

Mr. Clark: The Minister of Transport again trotted out figures which he knows are two to three years out of date—figures on passenger usage that he knows relate to the situation before the energy crisis forced more and more Canadians to use the trains. If he had held public hearings, as we did, if he had done what the CTC required him to do, he would have had the opportunity to hear first hand the evidence of people who have far more up to date statistics, statistics which take account of the impact upon the behaviour of the rail-using public of changes in the cost of energy, statistics which indicate that there is in fact more use being made of passenger rail service in this country than the government wants to admit.

The danger is not that the public is moving away from rail passenger service. The danger instead is that the government is taking away rail passenger service when there is no cause at all to do that on many of the lines that were doomed by his directive of July 27.

I should say that the other grave danger in substance is that we live in a time and in a country when there is an increasing fear that people, particularly in distant parts of the country, have interests and put forward positions that are ignored by the government at the centre. What better proof could they have if they live in western Canada and are served by the train through Jasper, or live in eastern Canada and are served by the Atlantic, or live in northern Quebec or northern Ontario, of the indifference of the central government to their interests than to have their rail service taken away absolutely arbitrarily, without any right to public hearing? This comes from a minister who served as a co-chairman on a commission on national unity. I cannot think of an act which could be better calculated to create disunity in this country than to take away the lifeblood of communities by an arbitrary act, without holding public hearings, thus breaking the CTC requirements and denying the public the right to be heard.

That is one of the issues here; that is the issue of substance. The other issue is the issue of process, the process of the denial of a public hearing. I heard the minister say that public hearings are difficult, and to have followed that route would have caused him all kinds of trouble. It would have required studies which would have taken some time.

An hon. Member: Four years.

Mr. Clark: Four years of studies to find the truth. I suggest it would have been better to have had four years of study that found the truth than to act in ignorance, in a way that disrupts the people and disrupts the services of this country, and does so for all time. In fact, he told us that Otto Lang had done it that way. He said Otto Lang had followed the law. Otto Lang followed the CTC route and found he could not do what he wanted because too many people came up with other evidence. There is not much good that many of us on this side of the House would say about Otto Lang, but at least he had a better respect for democracy than the present Minister of Transport.

The other danger, of course, is that this proposal creates a precedent that is immensely dangerous for the country and for anyone anywhere in the country who relies upon transportation facilities under federal jurisdiction; that is to say, dangerous for anybody anywhere in Canada. The government has acted here in a way that wipes out public hearings. If it can do it with rail passenger service, it can certainly do it with any other kind of service.

The minister has used Section 64(1) of the National Transportation Act to take away 19 per cent of rail passenger service. What is going to be next? Will it be airports? He can with the stroke of a pen or the snap of his fingers do away with any airport under federal jurisdiction anywhere in this country. Will he do this next in respect of branch lines on the prairies? With the stroke of a pen he can wipe out branch lines on the prairies, no matter who has approved them or how valuable they are. Will it be done to the rest of the passenger service in the country, the other 81 per cent? It may be as doomed as the 19 per cent he has wiped out because he has the power. Will this involve ferry services on the coasts of Canada? The minister has the power to do this.

When the point was being made by my colleague, the hon. member for Vegreville, I heard the minister admit from his seat, and I think I quote him exactly, that hypothetically the law is there. Perhaps it is hypothetical today in the case of airports, but it was hypothetical in June in the case of 19 per cent of passenger rail service. Hypothesis becomes reality with this government, and once it gets away with using that kind of instrument to wipe out 19 per cent of passenger rail service, it will turn next to the target of airports it does not like, other passenger services it does not like, branch lines it does not like and ferries it does not like, all of this done without any public hearings, any respect for democracy or any concern for the current facts, rather than facts 20 years old, such as the MacPherson report.

Mr. Cousineau: It is legal.

Mr. Clark: The minister is trying to make the point that it is legal.

Mr. Pepin: No, no. I am saying you are trying to prove that the law is illegal.

Some hon. Members: Oh, oh!

Mr. Clark: We have heard—

[*Translation*]

—I was glad to hear what the hon. member for Gatineau (Mr. Cousineau) had to say, because his riding is affected by the cuts proposed by the minister, but on the other hand, he did

not stand up against his minister on that account and he did not defend his constituents. This is highly irresponsible. But, what I was saying—

• (1700)

[*English*]

What I was saying, Mr. Speaker, before the hon. member for Gatineau uttered his first words in the House of Commons, was to indicate to the minister—

[*Translation*]

Mr. Cousineau: The right hon. member, the Leader of the Official Opposition, said some words to the effect that this was the first time I had spoken in the House, and I would not like to have to infer from that that he was deliberately lying.

The Acting Speaker (Mr. Ethier): Order, please. The correction is well taken.

Mr. Clark: I apologize, Mr. Speaker, perhaps I did not fully appreciate the words of the hon. member the last time he addressed the House.

[*English*]

What I wanted to advise the minister was that he might think it is legal but there are many people in this country who believe it is not. A legal action is being undertaken in the courts to test the legality of what he is doing. We know it is wrong. It may also turn out to be illegal. We will then have him on both counts, not only on the Constitution but also on VIA Rail. On the question of the Constitution we now have them on the count of it being wrong and divisive to the country if they try to proceed by legal trickery.

I wish to read for a moment from a report secured by the *Toronto Star* quoting a senior official of the Department of Transport. That official wrote:

> Instead of using the section as its drafters intended—to vary the odd CTC order it did not agree with—the government is using it to restructure the whole VIA system. This is being done without CTC public hearings and without parliamentary scrutiny. Announcement of the changes was deliberately held up until members of Parliament had left for the summer recess.

That is not a member of the opposition speaking. That was an official of the Department of Transport speaking, indicating just how profoundly unpopular and wrong the minister's position is felt to be in his own department.

The government has bypassed the CTC in its hasty decision to dismember a vital national service. The CTC's role as protector of the public interest in transportation matters in Canada has been tarnished and diminished, if not actually destroyed. The minister will know that even in the United States, where attempts have been made to reduce the scope of Amtrak operations, those attempts have been extremely limited by the moderating influence of Congress which as a legislative body must approve budget cuts proposed by the administration.

Since there are no safeguards in Canada, the role of the CTC is all the more vital. It has been cast aside callously by this government because they are afraid of the results.

It is interesting to ask why the Minister of Transport is reluctant to place the future of VIA Rail's transcontinental services in the hands of the CTC. The answer is clear. The CTC would have held hearings. It would have gone out and talked to people, as our task force has done. It would have gone out and listened to current data on current passenger usage instead of relying on three and four-year-old figures based on a period prior to the impact of higher energy costs upon passenger service in this country.

It is almost certain, Mr. Speaker, that if the CTC had been allowed to carry out its mandate that this Parliament gave it, it would have demonstrated that many of the figures used as a basis for decision are false figures.

Some hon. Members: Hear, hear!

Mr. Clark: Consequently, it would have changed the decision quite appreciably.

Some hon. Members: Hear, hear!

Mr. Clark: We had a task force conducted under the chairmanship of my colleague from Vegreville which gave us the opportunity to speak to a number of Canadians across the country. We are looking forward to publishing the report and recommendations based on those hearings. Every region of Canada has been affected but there is one region in particular about which I should like to speak.

[*Translation*]

The province of Quebec in particular will be severely affected by this unilateral and undemocratic decision. At least 225 railway employees stand to lose their jobs in the province of Quebec. Northern communities will become even more isolated. Communities located between St. Hyacinthe and Megantic will lose their rail passenger service. There will no longer be any service between Ste. Foy and Chambord. The train from Hull to Lachute will cease to exist. There will be no more "petit train du Nord". These cutbacks will have an impact on tourism, individual communities and the economy of the province.

However, Mr. Speaker, Quebec's loss may be greater than that of the other provinces. We have seen that the federal government, through this decision, has denied Canadians the right to a public hearing. This evening we shall see whether the voices of Quebecers are to be doubly stifled, not only through the absence of public hearings but especially if Liberal members from Quebec should refuse to defend the interests of Quebecers who are affected by this decision. We shall see whether the Liberal members from Quebec, in voting on this motion, will show that they are prepared to defend the interests of their constituents. If the motion is passed, the government will not fall, but the people of Quebec will see that the

federal Parliament of Canada is not powerless to defend their interests.

In communities which are to lose rail passenger services, many individuals will be severely affected. But that is not all. Behind this unilateral decision looms the ominous precedent the government has thus created. If the government succeeds in eliminating 18 per cent of rail passenger services by unilateral declaration, without consultation and without public hearings, it will have created a precedent that it will most certainly use again.

Today rail passenger services, tomorrow what next? Airports? These also come under federal jurisdiction. Freight services? Ferry services? The remaining rail passenger services in Quebec? The government is wielding formidable powers and creating a dangerous precedent. The Progressive Conservative Party has been holding public hearings because the government has refused to do so.

[*English*]

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

Some hon. Members: Continue.

The Acting Speaker (Mr. Ethier): The right hon. member may continue if he has unanimous consent of the House. Is there unanimous consent?

Mr. Pepin: I wasn't allowed to continue.

[*Translation*]

Mr. Pinard: Mr. Speaker, the Minister of Transport has pointed out to me that the opposition did not have the courtesy to allow him to continue his speech. And I believe I heard him deny the same courtesy to the opposition.

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. I heard no point of order. Now there is a point of order raised and I think it is well taken. I asked if there was unanimous consent and I indicated there was not. I see no reason to pursue the matter any further.

The Hon. Leader of the Opposition on a point of order.

Mr. Clark: The Minister of Transport will admit that he did not request that courtesy. I do request that courtesy and I would accept it naturally very gratefully.

The Acting Speaker (Mr. Ethier): Unanimous consent is sought by the Leader of the Opposition. Is that agreed?

Some hon. Members: Agreed.

Mr. Pepin: Half a minute!

The Acting Speaker (Mr. Ethier): The Hon. Leader of the Opposition.

[*Translation*]

Mr. Clark: I shall be as brief as possible, because this is a very important matter. The Liberal members from Quebec have often mentioned the need for a strong federal presence in Quebec. They now have an opportunity to make their wish come true. The situation is clear. If the members from Quebec want the federal Parliament to be respected, today they will have an opportunity to earn that respect. They can show that the Parliament of Canada will defend the interests of Quebecers even if the government does not. Too often, when the legitimate interests of Quebecers are at stake, 74 Liberal members sit silently, afraid to speak out and afraid to act.

On the Constitution, the Quebec Liberal Party had the courage to defend the principle of federalism, but the federal Liberal members remained silent. When the Liberal government questioned the province's rights with respect to the sales tax, Liberal members failed to speak out. They remained silent about Mirabel, Nordair and the future of the footwear industry in Quebec. Will they also remain silent on VIA Rail, or will they support this motion and help the Government of Canada gain the respect of the people of Quebec?

● (1710)

[*English*]

That is a very important question, not just in Quebec but across the rest of the country, because this Parliament has the opportunity to speak up for and to defend Canadians whose interests have been severely injured. I ask any federalist in this House who wants to respect the rights of Canadians, who wants to be sure that decisions are based upon current information and who wants to ensure that we make decisions regarding rail passenger service now which serve the future instead of injuring the future, to vote in favour of this modest proposal to let the people be heard, to have a delay of a year of this unilateral abandonment of rail passenger service and to respect the right of Canadians to be consulted and to be heard on decisions which go to the heart of their personal and community existence.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Robert Gourd (Argenteuil-Papineau): Mr. Speaker, it is with great reluctance that I also rise this afternoon to address a few words to the Minister of Transport (Mr. Pepin). However, in answer to what the Leader of the Opposition (Mr. Clark) has just said to the effect that the silence of Liberal members is such that nothing is being done in Quebec, I must tell him that he is very badly informed since I wrote the following letter to the minister on August 24, and I quote:

> I find unacceptable the decision made, without consultation, by our department and VIA Rail to abandon rail service on the north shore of the Ottawa river on the Montreal-Lachute-Hull-Ottawa line. It seems to me that the Railway Act provides for public hearings when services are to be abandoned. Consequently, in a democratic system such as ours, I deplore the fact that this decision was made without consulting the population concerned.

On behalf of my fellow citizens, I therefore urge that this means of transport be maintained, or at least that public hearings be held so that we may know the pros and cons of this unfortunate decision.

And I, of course, signed this letter. I wanted to put it on record, Mr. Speaker, simply to show the Leader of the Opposition that he cannot take credit for all the work done in Quebec by Liberal members.

Mr. La Salle: This should be said!

Mr. Gourd: This is what I have just done, for the information of the hon. member for Joliette (Mr. La Salle).

Moreover, Mr. Speaker, on September 25, I sent a series of questions to the deputy minister, and my letter has not even been acknowledged. In this letter, I put the following questions to the deputy minister:

1. Is there a cabinet decision concerning federal plans to revitalize and rearrange passenger rail services in Canada? Would it be possible to have a copy of this decision?

2. If there is no cabinet decision, is there a document which confirms the will of the government and (or) the Department of Transport to outline this plan? Would it be possible to have a copy of it?

3. As concerns the termination of passenger rail services on certain lines in the fall of 1981, do instructions outlining specific procedures for the abandonment of these lines exist within the government, the Department of Transport, the Transport Commission, VIA Rail Canada, Inc., the CN or the CP? If so, what are they and may I have copies?

4. Do section 252 and subsequent ones in the Railway Act apply when the Minister of Transport decides to abandon certain lines used for passenger services? If not, why and under what authority are the minister and (or) the department exempted from these provisions?

5. The line abandonment procedures will be initiated by whom, how, when and where?

6. Can the Transport Commission hold public hearings for line abandonments and, if so, what procedure should be followed to get a public hearing?

7. As concerns the Montreal-Lachute-Ottawa line, would you please tell me when the government intends to abandon this line? Which service and who is the official responsible for this matter in the Department of Transport?

8. Under what authority can the government and (or) the Department of Transport proceed with line abandonments without consulting the population and without holding public hearings before the Transport Commission? Under what acts and sections of these acts do you have such authority?

9. Are there mechanisms to appeal this type of decision and what are they?

10. Are the plans outlined by the Minister of Transport in his press release subject to review? By whom and how?

In view of the urgency of the situation, I trust, sir, that you will be able to provide replies to these questions as soon as possible.

I am still waiting for a simple acknowledgement from a secretary in the deputy minister's office. And that is not all. Since we are talking about the VIA Rail file, I will not say anything to the Minister of Transport (Mr. Pepin) about Mirabel where I am also waiting for the transfer of flights from Dorval. I would refer the minister to a document published in a newspaper, not a large newspaper for sure, just a small weekly in my riding, *La Petite Nation,* but still the research work was done. According to a press release issued by the minister, two criteria must be met before abandoning a service. I will summarize what we were able to find about those two criteria. Judging from information release No. 13081 dated July 27, 1981 and issued by the minister's office, it would seem that the decision to do away with Montreal-Hull VIA Rail passenger services stems from two criteria: the cost-revenue ratio and the occupancy coefficient. The cost-revenue ratio on the Montreal-Hull line would be 0.15. By definition, that is the revenue quotient, or the ticket sales figures over the costs of annual services offered. Now then, with somewhat lower ratios for five trips, the minister does not urge complete abandonment but rather a reduction to three weekly trips. Here is the gist of his arguments: service is maintained because certain remote communities are involved. Therefore, the cost-revenue ratio is not a rigid index which automatically calls for abandonment. By virtue of the same principle, it then becomes possible to insist that the Montreal-Hull service not be suppressed. The localities of Petite-Nation and Lachute are far from the large urban centres of Montreal and Hull, which is the centre of attraction of our rural valley.

Let us refer now to the second coefficient, occupancy. On the Montreal-Hull line, that coefficient is estimated to be 20 per cent. We would have a 100 per cent coefficient if 1,000 passengers filled the 1,000 seats available. Here is how the minister justifies his recommendation that the service be dropped: abandonment due to poor performance, a good highway network, a daily bus service between Ottawa, Lachute and Montreal, and direct Montreal-Ottawa rail passenger service.

● (1720)

Well, Mr. Speaker, none of those reasons will stand close scrutiny. It is a matter of intervention. Consequently, there is no justification to discontinue the Montreal-Hull run in the eyes of the residents of Petite-Nation and Montebello where the economic summit was held and which was the focus of worldwide attention. Mr. Speaker, we have heard the promises of the PQ government; we were promised an expressway, but now it is still on the drawing board and may turn out to be nothing more than a skidoo trail. That is what they call good highway links. There is no public transit system in the Petite-Nation valley which is home to 17,000 permanent residents and swells to 30,000 people during summer. Unless you drive your own car, there is no way you can reach the tourist centres of Petite-Nation or Lac Simon, at Duhamel, whose economic fallout is essential for our region. We have a bus service for an aging population of which 9.4 per cent are over age 65, whereas elsewhere in Quebec the rate is hardly higher than 6 per cent, including 29 per cent higher than Quebec as a whole. Petite-Nation badly needs a link between the medical and hospital service centres of Hull and Montreal, since it has no other functional transport services.

The daily bus service is not functional. It is altogether impossible to have a morning appointment because the bus picks up passengers at Papineauville, Thurso or Montebello around 11.45 a.m. and arrives in Montreal at 2.30 p.m. after long detours. It takes another half hour to jump into a cab and

rush to a hospital or a government office. It is 3 p.m. before you can sit down in a waiting room, you have to pay for an overnight stay in Montreal and then grab the morning bus at 10 a.m. and get back to Papineauville around 1 p.m. That is a 26-hour trip for a 30-minute appointment. Only the train which returns at 5.50 p.m. cuts short that long journey.

Mr. Speaker, it is appalling to even consider eliminating rail passenger services on the north shore. In addition, Mr. Speaker, I want to mention the provocative action of VIA Rail against my constituents last summer during a demonstration in Montebello. VIA Rail sent a freshly painted and newly upholstered train when we usually have an old car without any commodities. I feel it is a provocative action against my constituents. I will not mention the work carried out all summer long while the tracks were being relaid.

Mr. Speaker, I am in a difficult position toward the Department of Transport. It is not the first time I have spoken out. The minister told me to be patient. But there is a limit to my patience. Reference has been made to Mirabel and we are still waiting. You told me: I am looking into the matter. I feel it is time to act instead of conducting studies. Mirabel is losing millions of dollars, while other airports are thriving. I put questions to you in the House and they were answered. I believed in the good faith of your department, but I have had enough.

Mr. Speaker, I had to say those few words. Unfortunately, I do not believe in the guile of the party opposite that would not consider this vote as a vote of non-confidence. I do not think that it is the best way to show the people that we are coping with our problems. I do not believe more particularly the Leader of the Opposition who says that Liberal members are silent or remain mum, because I am convinced that if the government side had more time available—and I see over there the member for Champlain (Mr. Veillette) who is also in the same situation—we would speak even more often.

Mr. Minister, I could mention other hon. members who are faced with the same problem and who are quite concerned about your department's decision. I urge you, therefore, to reconsider a little longer your department's decision to eliminate rail passenger services across Canada. If you could spend so much time reconsidering the transfer of flights from Dorval to Mirabel, I do not think that a further study would hurt the Canadian public. In conclusion, Mr. Minister, I urge you to reconsider this decision on behalf of some of my constituents whose signatures I have here and among which I happen to notice the names of Hélène Pepin, from Montebello—I hope she is not a relative of yours—and Antoine Bédard, from Lac Simon.

The Acting Speaker (Mr. Ethier): The hon. member should always address his remarks to the Chair and never to the minister or an hon. member in particular.

Mr. Gourd: Thank you, Mr. Speaker. But as you can see, I am so deeply disturbed by this decision which could affect my constituency so much that sometimes I find it very difficult to address the minister directly. So, I will direct my remarks to the minister through you, Mr. Speaker, and with your consent, I should like to table this complete file. You can read the names for yourself. They are not names I have made up; they represent people, nearly 500 of them, who are begging the minister to please reconsider his decision to discontinue a rail passenger service which is very useful to the public and which, for that matter, is the only means of transportation in Quebec on the north shore of the Ottawa river between Montreal and Hull.

Mr. Minister, it has been said that the provincial government is bent on dividing Canada. I am afraid such a decision would help our opponents in Quebec. The best way to divide it is to deprive it of a service which is essential indeed, Mr. Speaker, for it is the only means of transportation. When our bus drivers went on strike, it was indeed the only means of transportation available to my constituents to travel either to Hull, Ottawa or Montreal. On the other hand, Mr. Speaker, I do not believe in the figures which were provided to the House and I am convinced that VIA Rail could make a better marketing effort or consult the people to find out about more convenient schedules instead of simply setting up others which are indeed inconvenient I already know of 60 people from Lachute who work in Montreal and who, because of the high costs of energy, would be delighted to commute by a rapid transit system. But if the Department of Transport has really made up its mind to get rid of this train, I know I will have a hard time explaining to my constituents that it is hopeless, that the train is gone, in spite of the millions of dollars which the corporation spent all summer long to rebuild the tracks. And why rebuild the tracks? Simply for the use of freight trains. Then, let the department increase the freight rates, so that my Argenteuil-Papineau constituents may keep their train!

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. There have been consultations among all parties who have agreed that after the dinner break we will limit speeches to ten minutes each, in the following order. We will start on this side with the Conservative party, a Liberal will follow, then an NDP, then a Conservative, Liberal, NDP, Conservative, Liberal, Conservative and Liberal. I think this is agreed.

Mr. Pinard: That is agreed, Mr. Speaker. It is in accordance with what we have discussed. We hope the debate will resume very shortly after eight, in order to allow all hon. members mentioned by the hon. member for Yukon to participate.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I rise with mixed emotions to speak on this important subject today. Frankly, there are few things that will be brought before this House of a financial nature in the current session more important than the subject we are debating today. I believe, in many ways, Mr. Speaker, we are witnessing a complete misunderstanding, an unfortunate mistake that need not occur if those responsible on the government side were to come to their senses and realize the total effect of what they are proposing. I do not think, Mr. Speaker, we should be unduly critical of the minister with respect to his decision. It is an easy mistake to make. When we were in government, we were faced with similar options which the minister undoubtedly faced when he took over.

• (1730)

On the question of rail transportation, I can recall that the bureaucracy of the day made a proposal for a cutback in VIA Rail of $100 million the first year. The bureaucracy went much further than that however. They said that the first year they would like to pare VIA Rail by $100 million; the second year they saw cuts in store amounting to $330 million; the year after that they proposed cutting VIA by $300 million; and the year after that by $270 million.

Mr. Pepin: It has never been presented to me.

Mr. Stevens: The minister says, "It has never been presented to me". If that has not been presented to the minister by his bureaucracy, then it is time he asked to see the true facts on the subject that is now before the House.

What was proposed by the bureaucracy in the Department of Transport was not just a $100 million reduction in the initial year, but the complete elimination of the VIA Rail budget as far as federal spending is concerned. They estimated the elimination of 4,000 jobs. Most important, Mr. Speaker, I would suggest this is simply further evidence of the unfortunate orientation of the Department of Transport in favour of air transport at the expense of the rail passenger service in this country. It is not by accident that the minister's department is being referred to not as the ministry of transport but as the air ministry.

In answer to a question a few days ago in the House, the minister stated that, according to his calculations, about 7 million tickets were sold for VIA Rail and the subsidy to VIA was $490 million. He has never attempted to show where the $490 million came from. The figures in the estimates show less than $490 million.

The minister says, Mr. Speaker, that 7 million is the total number of tickets sold to VIA passengers and the subsidy amounts to $490 million and that, to use his arithmetic, there is a loss of $70 to the taxpayers on each passenger. I challenge that, Mr. Speaker. I say that in spending that kind of money, I think we are providing a useful service for thousands of Canadians.

On the question of subsidization, where does the minister draw the line? Why does he treat his aristocratic friends, those who fly private jets, so handsomely? Why does he treat them to landing rights, to storage rights, and to other accommodation at our airports? That is in truth the height of subsidization. When we listen to speeches in the House and listen to the minister attempting to justify the withdrawal of services used by the lower income people of this country, let us remember that that same minister is endorsing landing fees for Lear jets at Toronto International Airport of $10 a crack. This is what it costs a person to land a Lear jet at the Toronto airport, an aircraft which carries, on average, six to ten passengers.

Why do we in this House get riled up, Mr. Speaker? Why are there two standards? If you have the money to own one of those 75 to 80 jets that are stored and flown into and out of Toronto International Airport, then apparently subsidization is just fine. It is okay to pay $10 to land. Think of the money it costs to run airports in this country. When the interest on some of the writeoffs is included, we know our airports in Canada are running at a loss of $400 million a year.

If there is to be wholesale subsidization of a group that is well above the poverty level—and everyone will agree with this—subsidization of those who fly corporate jets and other types of private aircraft, surely we should hesitate to cut costs by zeroing in on those who use VIA Rail and the rail passenger service in the country.

Some hon. Members: Hear, hear!

Mr. Stevens: It is a question of priorities. The Department of Transport has approximately $1.7 billion to spend in the present year. To my way of thinking, it is not a question of increasing the expenditure but rather a question of trying to make sure there is an equitable disposition of the funds for the greatest good and the largest number of Canadians.

Mr. Pepin: Right on.

Mr. Stevens: The minister X says, "Right on". At least we are in agreement on that point.

When we were the government, we reviewed exactly what we were debating in the House. We chose not to shortchange VIA Rail passengers at the expense of others, mainly the relatively poorer people who have to travel in this country. We chose to have a more equitable distribution of the transport funds so that VIA Rail could not only carry on their activities but so that their activities could, in fact, be expanded.

Mr. Pepin: I would like to see that decision by the Ministry of Transport.

Mr. Stevens: The minister is saying that he would like to see the decision. I would like the minister to stand up in the House and read into *Hansard* the spending estimates for VIA Rail for the fiscal year 1980 and what the spending estimates were for the fiscal year 1981.

You will find, Mr. Speaker, there was a significant increase in favour of VIA Rail from one year to the next. I would suggest that if the minister were to look into the records, he would find that the increases were made deliberately. I would

suggest to the minister he cannot back up with facts the so-called savings of some $100 million that he thinks he can make. It will not happen.

Mr. Pepin: It is not a saving. It is a move from operation to investment.

Mr. Stevens: Here again the minister makes his case even worse. What he is saying is that it is not so much a question of restraint or of saving; that is not what he has in mind. What he wants to do is to gyp the people in Havelock of their service, gyp the people in Stouffville, gyp the people in Aurora, in Newmarket and in Barrie of their service, gyp the people in Edmonton and Saskatoon and in various areas of Quebec of their service so that he can concentrate on putting another service into another area of Canada. Better still, Mr. Speaker, I can assure the minister—I was not in the House but I watched television—that if he had been able to watch himself on television, he would have stopped sooner than he did!

• (1740)

The point I am making is that this is not a question of savings, although the minister disagrees with that. What he is trying to do is to realign or cut certain areas in Canada off from rail passenger service and reroute that money to some other place.

This party believes that rather than cutting back on VIA Rail in order to supply new services or for whatever reason the minister may feel desirable, the government should increase funding for VIA Rail to make it a better service on existing lines. It should not cut back service on any VIA Rail lines at the present time. I say that, bearing in mind that there are many areas in the minister's department where he could save sufficient money to help offset whatever he feels is an undue cost with respect to VIA Rail passenger service.

Let me give the minister a few examples. He told us that it cost $70 every time someone uses VIA Rail. I would ask if he has ever checked what it cost when a person gets on a plane or off a plane at Mirabel airport.

Mr. Pepin: Ten dollars on average, Canada-wide, for a year.

Some hon. Members: Oh, oh!

Mr. Stevens: Did you notice, Mr. Speaker, that the minister put in the words, "on average, Canada-wide". He glossed over the fact that on the one master-minded airport, which is now known even by the department as "White Elephant Mirabel", it costs $47 million per year to keep the doors open and to operate that airport. The last figures available are for 1979 when 1,230,000 people used that airport. That means that for every passenger who got on or off a plane at Mirabel, it cost the federal treasury $44. That is only part of the story, however. The government forgave some $600 million of the actual construction of Mirabel that was written off the books, but that is not included in the $44 figure.

Mr. Pepin: As for other airports in Canada.

Mr. Stevens: If we simply calculate the interest that the government still has to pay on that account, notwithstanding the fact that it has written it off the internal books, we see that another $75 million per year could be added to the cost of Mirabel. That means that for every person using Mirabel, the subsidy is $100.

Surely we must ask ourselves why the minister has this obsession with cutting out VIA Rail passenger service to so many important areas of Canada while he is apparently willing to live with that kind of subsidization for Mirabel. The minister said that on a national average basis the subsidy for every passenger at an airport is $10. I could tell him what the subsidy is at every individual airport, Mr. Speaker. For instance, the subsidy at Gander is $42.

When we ask if the government is doing a good job in operating the 25 largest airports in Canada, perhaps we should contrast what the government, through the minister's department, is doing with what is the case in the United States.

We are told that new airports are needed and that extensions to old ones are needed. How many people realize that the 25 largest airports in Canada handle about 43.5 million passengers annually? By coincidence, that is about the same number of passengers as are handled at O'Hare International Airport in Chicago in a year. In short, our total passenger traffic, by air, is roughly-equal to that handled at O'Hare Airport in Chicago in the United States. Yet the total subsidy that our government pays for operating those 25 airports in Canada is over $400 million, while O'Hare Airport operates at a profit.

It might be argued that with 43 million people using one airport, anyone could make a profit. But the fact is that none of the large airports in the United States lose money. I submit that if airport services were properly charged for in Canada and if the Lear jets were charged more than $10 in landing fees, our airports could be operated at a profit or could at least break even, just like those in the United States.

I draw attention to this because if the minister feels justified in spending $400 million to subsidize 25 large airports in Canada which are used by less than 20 per cent of the Canadian public, then something is wrong when he says that VIA Rail is entitled to a much lesser subsidy and, if his bureaucracy should get its way, there would be no subsidy whatsoever in the future.

Mr. Pepin: You are making it up. That is all in your mind.

Mr. Stevens: I am not frightened about what is in my mind, Mr. Speaker; it is what is in the minister's mind that frightens me.

I should like to deal specifically with the situation in my own area, in Ontario generally, but most specifically with the three lines that service the Toronto area and are still being run by the federal government. I am referring, of course, to the Havelock-Toronto line, the Stouffville-Toronto line and the Barrie-Toronto line.

The minister indicated in the House that he believes Mr. Snow, the transportation minister in Ontario, is willing to accept those lines as far as the Ontario government is concerned. If the minister believes that, then I would like him, through his parliamentary secretary or any way that he sees fit, to produce evidence that Mr. Snow has committed himself to taking over even one of those lines, let alone all three.

Mr. Pepin: That is what I said—"I believe".

Mr. Stevens: I hope you heard that, Mr. Speaker. The minister said, "That is why I said 'I believe' ".

Mr. Pepin: That is my opinion.

Mr. Stevens: I am a believer too, Mr. Speaker, but having dealt with this government for almost nine years, I have found that there are many things you might want to believe but you would be a fool if you continued to believe that it would do what it says.

Some hon. Members: Hear, hear!

Mr. Stevens: If the minister believes that the Ontario government may take over one or more of those lines, let me put this to him—

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

• (1750)

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I am very happy to have the opportunity to address the government's policies of upgrading passenger rail services in Canada in order to meet the requirements of the next decade.

First, I would like to congratulate the hon. Minister of Transport (Mr. Pepin) for the courage he has shown in proposing a program to improve the efficiency of VIA Rail's services in Canada. Indeed, at the risk of being unpopular, the hon. minister is seeking a way to reduce substantially VIA Rail's deficit to help it upgrade its long-haul passenger services.

Over 30 years ago, the bishop of Gaspé, Mgr. Ross, said, and I quote:

—the lack of communications is the main reason why the Gaspé has lagged and is still lagging behind economically.

For the people of the Gaspé, the lack of communications and transportation remains a major concern.

Mr. Speaker, with the development of expressways in Canada in the last two decades, which was made possible through federal funding, and federal-provincial shared cost programs, Canada has become a country with one of the highest ratio of expressway kilometres per capita in the world.

VIA Rail

With the implementation of ARDA, the Agricultural Rehabilitation and Development Program, FRED, the Fund for Rural Economic Development, DREE and its agreements with the provinces, the Canadian government has helped the development of secondary road systems and service roads to natural resources sites, such as forests or mines. It is not surprising that with the development of such a good road system, some short-haul train services should lose some of their historic importance to the benefit of bus transportation. It is therefore normal under the circumstances that the Canadian government, through VIA Rail, should decide to reappropriate funds toward long-haul rail services.

Mr. Speaker, in the last few years, I have taken a very active part in the public hearings into rail transportation in the Gaspé area. The general criteria for improving the efficiency of rail services seem to be the following: relative cost-efficiency, distances between communities and important urban centres, elimination of duplication of subsidized services and the logical requirement of integrating short-haul urban transportation into the road transportation system. VIA Rail serves over 100,000 people in the Gaspé area from Matapédia to Grande-Vallée. For many, the train is the only available means of transportation. An economic study conducted by VIA Rail showed that in this area the train is the second most popular means of transportation for people.

Mr. Speaker, the Gaspé is one of those regions in Canada where an adequate rail service is warranted because of distances to large cities. Also, service would become more popular if VIA Rail could improve its quality by investing in the appropriate rolling stock. I would like, by way of example, to relate an event I experienced early in January 1981.

It took, at that time, over 58 hours to travel from Gaspé to Montréal, at an average speed of about 10 miles per hour. The Canadian Transport Commission report of inquiry into the reasons for this delay confirmed that it was a result of the poor condition of the rolling stock. A study conducted by the CTC on transportation in eastern Quebec and New Brunswick, following the delays that occurred during the Christmas holidays of 1980-81, found that in 43.5 per cent of cases, delays were due to the deterioration of the rolling stock. In 1979, after some hearings in the Gaspé, the CTC decided to reintroduce autorails from Matapédia to Gaspé, and the commissioners cited the same reasons.

I trust, Mr. Speaker, that the long-term savings achieved by the Department of Transport will enable it to improve transport infrastructures in the underprivileged areas in that regard, such as the Gaspé peninsula.

Generally, it can be said that the presence of an airport makes a wider area accessible to industrial and commercial activity through direct contacts with eventual clients; it also increases the volume of business. In addition, air travel encourages greater personnel efficiency by adding to the effective time on the job of management and technical staff.

Among other things, air transportation enhances marketing possibilities for perishable products, in that they can be shipped more quickly to consumer markets. The products of the sea and others would all benefit from being shipped by air rather than by ground transportation.

The activities of the fishing and tourist industries in the Lower St. Lawrence and the Gaspé peninsula are gradually being oriented toward more intensive and especially more rational development. Of the various facilities planned for those industries, the construction of industrial airports at Pabos and Sainte-Anne-des-Monts should be considered in the very near future. That is to say, Mr. Speaker, that the minister has become aware of the need for air transportation very recently as far as the Gaspé Peninsula is concerned.

The Ministry of Transport and that of Regional Economic Expansion must also plan on improving the infrastructure of port facilities in the Gaspé region and more particularly in Gaspé-Nord which, it will be remembered, lacks both railways and highways.

Mr. Speaker, I trust that the rationalization program of rail passenger services will allow VIA Rail to improve the quality of its services, thus enabling it to recapture its rightful share of the passenger transportation market in Canada.

The capital expenditure budget increase announced by the Minister of Transport on July 27, 1981 will further be used to modernize diesel cars and purchase new stock. The people in the Gaspé peninsula I represent in this House believe and hope that the cutback of less viable services across Canada will allow VIA Rail to improve services on other lines such as those in the peninsula and better compete with other modes. Moreover, the Ministry of Transport will now be in a position to invest more in marine infrastructures and the development of industrial and commercial airports in areas as remote as the peninsula. For these reasons, Mr. Speaker, I must say that I will vote against the motion put forward by the hon. member for Vegreville (Mr. Mazankowski), since the policies announced by this government have and will promote the development of other services in the peninsula.

[*English*]

Mr. Siddon: Mr. Speaker, I will have but a few moments before calling it six o'clock; but I would like to indicate that in the period immediately after the House resumes, I want to deal in particular with a number of the very important energy aspects of the cutbacks announced by the minister of July 27, and to point out, in fact, that perhaps innocently—may I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: In accordance with the House order adopted before six o'clock as I understand it, speeches will be limited to ten minutes. The hon. member for Richmond-South Delta (Mr. Siddon).

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, in a sense I regret having a limit of ten minutes in which to make my remarks this evening in view of the fact that so many people across Canada will be adversely affected by the decisions taken by the Minister of Transport (Mr. Pepin) on July 27. These decisions will have a massive social impact on whole communities, businesses and individuals in Canada. In view of the fact that many members want to speak about these problems, I will restrict my comments to some of the quantitative implications of these decisions, and perhaps challenge the Minister of Transport on the question of energy, load factors, performance and cost.

I believe that the Minister of Transport has falsely, albeit innocently, informed Canadians on the question of energy and energy use as it pertains to our national rail transportation system. At the time of the press release at the end of July when the minister announced these cutbacks, he said, in part:

> Railways are one of the least energy-efficient, energy economic methods, if not the least. Why? Simply because it is not energy economic to drag an empty car, and that is the situation now.

That statement is totally misleading. Before I came to this House of Commons I worked as a mechanical engineer and scientist. I can say with some authority that railway trains are the most energy efficient methods of all transportation modes. That fact can be substantiated quantitatively and firmly without any further controversy. In fact, a conventional diesel powered railway train operating with a high load factor will consume only about 700 energy units, referred to in the old jargon as British thermal units per seat mile, and an electric train will consume only about 150 energy units per seat mile, as compared with 2,000 to 7,500 energy units per seat mile for conventional automobiles, depending on the number of passengers, and 2,700 to 5,000 Btu's per seat mile for passenger aircraft. In other words, if we were to assume that all these various types of vehicles were filled virtually to capacity, the railway train would be at least four times as efficient and in many cases seven and ten times as energy efficient as our aircraft and passenger automobiles. In fact, the railway train is potentially more energy efficient than highway buses.

To illustrate: if one were to imagine a string of highway intercity buses with their rubber tires removed and attached together running on a railway track, those units would consume in total considerably less energy than if those buses were running individually on the highway, for two reasons. The first reason is that the drag that air produces would be much lower if you had a string of buses or a string of railway cars than if you had a number of individual units. The second is that the rolling friction on a relatively straight track is much lower for a rail borne transportation device than for a highway bus. In

fact, the Minister of Transport is totally incorrect when he suggests that trains are one of the least energy efficient modes of transport. In terms of miles we can travel by train per gallon consumed, a modern efficient railway train will travel 400 to 500 passenger miles as compared to 20, 40 or 60 passenger miles for an automobile. An intercity bus, if it is operating at peak efficiency with full load, will obtain about 300 passenger miles per gallon. A Boeing 727 aircraft will obtain only about 35 pasenger miles per gallon. Therefore, one can go a great deal farther with a gallon of fuel by train than by any other mode of transport.

If we look at Transport Canada's own data as well as data from other sources, we will see that Canadian airlines are operating at an efficiency rate of something like 28 passenger miles per gallon. Compare that with the mileage you obtain with your automobile. Canadian automobiles obtain about 20 to 60 passenger-miles per gallon, but trains obtain 100 to 250 passenger miles per gallon. Even the old and antiquated trains operating today in Canada are able to achieve this.

Data from Transport Canada and from the bus industry indicates that buses operating on our highways are getting only 140 passenger miles per gallon. Therefore, we have the potential for saving vast amounts of energy if we encourage a gradual transition to increased rail use. This means that it is essential for people like the Minister of Transport to start talking trains and increased load factor, rather than dismantling the system, but he must encourage the ever-increasing efficiency of our rail transportation system in Canada.

Some hon. Members: Hear, hear!

Mr. Siddon: As Canadians shift from highway and air travel back to passenger trains, the energy savings to Canada will be massive. Passenger rail services spend less than 5 per cent of their operating budgets on fuel compared to much higher fuel budgets for the airlines and the highway bus industry.

We might also consider that while trains used only about ten million gallons of fuel last year, buses used 20 million, domestic airlines over 700 million, and take note of this, Mr. Speaker, the conventional automobile consumed over 8,000 million gallons of fuel last year, or 8 billion gallons.

The more people are encouraged to change their modes of transport to the use of trains, the more we will decrease our dependence on that very precious and costly commodity, namely oil, particularly imported oil. Indeed, government policies which will reduce the availability of rail passenger services to Canadians will only serve to increase our per capita consumption of precious petroleum fuels, with a commensurate increase in the subsidy costs to all Canadian taxpayers.

In the last remaining minute or so that I have I would like to comment on a recent report released by Amtrak. It is dated May 20, 1981. This report reveals everything about Amtrak's operations to the American people, which is in total contradiction to the position which this minister has taken. Amtrak has released performance figures. Amtrak has told the American people just how well it has performed over the last two or three years. Amtrak has also instituted something called a route profitability system in which the cost effectiveness of all of the various routes served by Amtrak are monitored and regularly reported.

A most important conclusion in this report is that by converting to head end power in the United States, they have realized tremendous increases in efficiency as measured by the number of passenger miles per train mile. A most essential point is that passenger miles per train mile in the United States have been increasing remarkably on long distance trips. On the other hand, the passenger miles performed per train mile on the northeast corridor service, which is the New York-Washington-Boston sector, has actually been decreasing, and it is operating at a much lower rate of efficiency than the long distance services.

• (2010)

The point the Minister of Transport should be listening to, and I wish he would, is that long distance train service, rather than jerky, start-stop intercity service is, in the final analysis, much more efficient, and also more efficient than the modern type corridor system operated between Washington and New York through to Boston. Therefore, his suggestion that he is taking away from the regions their very essential rail service in order to benefit the corridor service between Windsor and Quebec City is, indeed, based on totally false economy. Thank you, Mr. Speaker.

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, I will attempt to keep my remarks within the ten minute limit so as many people as possible on both sides of this House can participate in the debate.

First I want to express my regret that the hon. member for Vegreville (Mr. Mazankowski), the former Minister of Transport, has seen fit to introduce this motion under Standing Order 58(9), which calls quite clearly for a vote of non-confidence in the government. The hon. member knows that, in spite of the rhetoric in the motion that says that, notwithstanding any Standing Order, practice or precedent, the House does not regard the passage of this motion as a vote of non-confidence, one cannot change the rules of the House by rhetoric. The rules are the rules. This is unfortunate because I suspect that had he chosen another route, he would have had some support from those of us on the government side because we are concerned about these cutbacks, as are members of the Conservative and New Democratic parties. The fact that these other routes, which are available according to the rules of the House, were not taken would indicate that the Tories, as usual, are playing politics with this issue, that they are not really interested, despite their words, in the effect cutbacks will have on jobs and on consumers.

Having said that, I should like to spend a few moments dealing with a particular cutback which affects the people of New Brunswick, and that is the cutback of the Moncton to Edmundston rail liner service. In a letter to the regional vice-president of the Canadian Brotherhood of Railway,

Transport and General Workers, the Minister of Transport said this:

> The Moncton-Edmundston service is to be discontinued because of poor performance. However, alternate modes of transportation such as bus service through Fredericton and highway access to intermediate points on the train route are presently available.

I believe the minister has been very badly briefed on that subject. The facts would indicate otherwise. This rail liner service is an essential service to the northwest and central sections of New Brunswick. Without rail service, these portions of New Brunswick will be virtually segregated from the rest of the province and, consequently, the rest of Canada. With the cancellation of this train, citizens on the route will find it virtually impossible to go to Moncton and return on the same day to take advantage of the specialized medical treatment available in the city. It will also be very difficult for university students to get to the University of Moncton and back to their homes in northwestern New Brunswick.

At present, a resident of the Edmundston area can leave Edmundston at 7.30 in the morning by rail liner, arrive at 12.15 p.m. in Moncton, and have until 5.55 p.m. to conduct whatever business is necessary. He can then board the rail liner and return home by 10.40 p.m. at a return cost of $26 for an adult.

To travel the 586 road miles return by car would take at least 6 hours each way and would cost approximately $42. If you use normal business mileage rates of 25 cents per mile, the cost would be $146.50.

The only other alternative is to take the bus, leaving Edmundston at seven in the morning, have a two and a half hour wait in Fredericton, transfer buses again at Sussex and arrive in Moncton at four o'clock in the afternoon, leaving little or no time to seek medical or dental assistance. One would have to arrange accommodation for the night because the only time you can return by bus is the next afternoon at 2.15 p.m., arriving back in Edmundston later that night at a return cost of $62.50 per adult.

From an economic standpoint, the return cost by rail liner is $26, by car, using a conservative figure for the cost of gas, it is $42, and by bus the cost is $62.50, plus at least one night's accommodation.

I hope I have made it clear that the alternatives are simply unwieldy, expensive and not viable. I would plead with the minister, whom I know to be a compassionate and caring man, to reconsider his July 27 announcement.

Some hon. Members: Hear, hear!

Mr. McCauley: Members of the NDP are clapping. Let us remember that members of the NDP suggested this afternoon that there were some routes which could be cut. It is true that there are, but there are some that should be maintained. On behalf of all New Brunswickers I plead with the minister to reconsider the cancellation of the Moncton to Edmundston rail liner service. Thank you, Mr. Speaker.

Mr. Sid Parker (Kootenay East-Revelstoke): I am also pleased, Mr. Speaker, to have the opportunity to speak on behalf of the New Democratic Party regarding the cutbacks in VIA Rail imposed by the Minister of Transport (Mr. Pepin). I believe the minister has been ill advised. He has bypassed the Canadian Transport Commission, a commission which is vital to the good understanding of railway transportation in Canada. The railway workers and the people of Canada generally have sent their representatives to hearings of the commission to present their cases. I think it is doing an injustice to the people of Canada to break and violate this vital and important link in our stream of communications. I say shame to the Minister of Transport!

After saying that, I want to say that the people of VIA Rail, not satisfied with taking over and promising improved transportation, have cut back from the 23 CPR Transcontinental cars which operated in the summer months to an average of 12 to 13 cars a day. As if that were not bad enough, the minister has now come forward and suggested eliminating completely the run from Edmonton to Vancouver. I want to comment briefly on that suggestion.

I have a letter that was sent to the Minister of Transport from the Municipality of Revelstoke signed by the mayor. I will not read the whole letter, but it says, in part:

> —the City Council applied for 8 bedrooms to travel from Revelstoke to Vancouver on September 22nd, 1981 and return from Vancouver on September 25th, 1981. Although we applied a month in advance for reservations, we were informed that there was only one bedroom available on September 22nd, 1981 and none available on September 25th, 1981.

In addition, the minister is suggesting that we eliminate the northern portion of this very important route. We of the New Democratic Party toured part of central British Columbia and visited some of these areas. We received petition after petition, some from people in Prince George and Prince Rupert, many from chambers of commerce and municipalities, all urging us to insist that people from these areas be given the opportunity at least to be heard and to present their views.

When VIA Rail took over, there was a commitment to live up to past agreements with the railway workers. Let me refer very briefly to pensioners, the many workers on our railways who have worked long and tedious hours building up pensions which are, incidentally, very mediocre, and also building up pass rights on the transcontinental trains. When they apply to travel on these trains, they are told there are no vacancies. Shame on the Minister of Transport. Shame on the hon. member for Lincoln (Mr. Mackasey), who was also a railway worker, sitting on that side of the House supporting that kind of drastic action which has been taken by the Minister of Transport.

● (2020)

Some hon. Members: Right on!

Mr. Parker: Passengers are being left standing on the platform in Banff, a major tourist area. When a train of 13 fully booked cars heads out into the western region during the summer, it is not hard to understand that people who live in

these mountainous regions, especially the poor and the elderly, have no opportunity to travel on these trains. Not only would they like to travel in them, they have no other alternative because there are no airports in this mountainous region.

The stretch of highway from Field to Golden, the Trans-Canada highway, is a disgrace.

Some hon. Members: Hear, hear!

Mr. Parker: Something should be done about it. I have asked the minister time after time, when will this section of highway be improved? In the Cranbrook region there is an area of some 230 miles with a population of about 30,000 people. Not even the Greyhound bus line connects that city and the small communities in between with the trans-continental train.

An hon. Member: It is called free enterprise.

Mr. Parker: I suppose these people are expected to drive that distance only to be told by a CP Rail official that he has to phone Winnipeg to find out what time the train will arrive. There is not even a postal box in the station. When people are travelling across Canada, they often wish to mail a postcard. They cannot even get off the train to send a postcard. These are the kinds of services that have been cut back and changed. After some consideration, they did allow the phone company to instal pay phones in stations to enable people who arrive in remote areas at least to phone a taxi to collect them.

The minister does not even have the decency to travel across Canada to meet the people and to discuss these issues.

An hon. Member: Right on!

Mr. Parker: CP Rail is not exactly innocent in this, either. It has sold 30-year-old equipment and, when it breaks down, not only do they charge for its repair but they charge for another diesel to help bring it up the hill. Then they have to take a yard engine, because it has a steam generator, and they bring it over and put it on a passenger train. They use any kind of patch-up work to get the train across Canada. When is the Ministry of Transport going to come forward with a transportation policy and a program to show the Canadian people we are entitled to an up-to-date railway system to give adequate service to the Canadian people?

We should not have to worry about whether the airlines will lose passengers. Many people cannot travel by air, they do not wish to travel by air.

An hon. Member: The CPR and the Liberals are the same folk.

Mr. Parker: These are some of the concerns people would like to present to the committee. I would urge that the amendment put forward by the hon. member for Regina West (Mr. Benjamin) be given serious consideration. I would urge the Government of Canada to implement this recommendation long before making decisions of the nature the minister is proposing.

VIA Rail

Some hon. Members: Hear, hear!

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, the government appears certain to carry out its directive to cancel 16 passenger rail lines nationally. These cancellations will severely hamper efficient passenger travel.

Two of the lines to be terminated operate in New Brunswick. One is the Atlantic Limited which carries somewhere in the vicinity of 240,000 passengers annually, despite the minister's protestations to the contrary. The second line is the Moncton to Edmunston line which was designed to operate as an intercity commuter service. It carries approximately 20,000 passengers annually. This line also serves such communities as Chipman and Minto. Both communities do not have any other mode of intercity linkage, contrary to the information the minister might try to pass on to this House in justification of his measures.

The Atlantic Limited is the most economical and direct link from Montreal to southern New Brunswick and the other maritime provinces. Saint John, New Brunswick is 473 miles from Montreal, and the trip takes 13 hours. If passengers are required to travel around the province and double back to southern New Brunswick on the Ocean Limited, as the minister proposes, the trip would be extended to 739 miles or 20 hours. The travel distance would be 76 per cent greater and the travel time 62 per cent longer.

An hon. Member: What are the energy savings there?

Mr. Corbett: This unnecessarily long delay will promote energy consumption rather than energy conservation in an energy-importing region. It will promote isolation in an area badly neglected by the federal government.

At this point I would like to draw attention, as an example of the isolation and neglect of the federal government of the Atlantic region, particularly New Brunswick, to the absence from this debate of the minister responsible for New Brunswick. Where is the person who should be standing up and speaking on behalf of New Brunswick as New Brunswick's representative in the Cabinet? He has been stonily silent, icily silent.

An hon. Member: Who is that?

Mr. Corbett: He is the gentleman—I happen to know because I occasionally see his face in the local papers—he is the Minister of Fisheries and Oceans (Mr. LeBlanc). You would hardly know he is an individual who speaks for the rights of New Brunswickers in this House. Where is the other member from New Brunswick who should be in this House, the hon. member for Madawaska-Victoria (Mr. Corbin)? His region will be directly affected by the abolition of the line the hon. member for Moncton (Mr. McCauley) just talked about. That will directly affect the people in his constituency. He should be here as the voice of the people he represents just as we who are here are doing.

What hope do the people of New Brunswick or the people of Atlantic Canada have with this government? Obviously none.

This government refuses to listen. It refuses to care. During the last election campaign, why did the minister not come to Saint John, New Brunswick or Atlantic Canada and tell the people the government would take away their train if he was elected? Why did the government not tell the people of Atlantic Canada that if it came back to power it would force them out of their homes? Why did the Liberals not tell the people in Atlantic Canada that, if elected, they would reduce air services, increase the price of gasoline and home heating fuels? Why did they not do that?

The people are fed up. They are saying: What in God's name are we going to do? Let me tell you, Mr. Speaker, their plight is desperate.

• (2030)

The minister rests his decision on the argument that new equipment is necessary and can only be provided if these costly passenger rail services are eliminated. A better method of raising the moneys for this equipment would be to arrange a fair billing procedure between VIA Rail, Canadian National and Canadian Pacific. At their own discretion, CN and CP bill VIA for the use of its rail lines at an exorbitant profit. Sixty-three per cent of all VIA Rail expenses are paid for rail line usage alone. The actual unit cost of using these lines is unknown to VIA. However, it is known to the minister, the CTC, CN and CP. VIA president, Frank Roberts, maintained before the Standing Committee on Transport that if VIA is to operate efficiently, it must have some sort of fixed contract with CN and CP rather than be subject to the greed of these two megacorporations. In effect, Canada's passenger rail service is subsidizing freight transportation. Yes, Mr. Speaker, it is subsidizing freight transportation. Let the minister effectively deny that.

If CN and CP would deal fairly with VIA, the needed moneys could remain in VIA's coffers for the purchase of new equipment, without sacrificing 16 passenger rail lines. CN and CP are milking Canadians for a passenger rail service by the very mechanism they received in exchange for providing this service. CPR entered into an agreement with the federal government stating:

> —in consideration of the completion and perpetual and efficient operation of the railway by the said Company, as stipulated in the said contract, the Government may grant to the Company a subsidy of $25 million in money and 25 million acres of land to be paid and conveyed to the Company . . . land for the right of way, stations and other purposes, and such other privileges as are provided for in the said contract.

These vast holdings have given the railways a moral and constitutional obligation to the citizens of this nation. The railroads should expect to bear a substantial proportion of the deficit. CN and CP should share the cost of this deficit.

When the Minister of Transport (Mr. Pepin) was in Saint John earlier this month, he advised New Brunswickers that he was cancelling the Atlantic Limited for their own good. He told us we should be grateful that the federal government is taking the Atlantic Limited away from us. If he is sincere, if he believes we will be thankful that the transportation system hundreds of thousands of people in Atlantic Canada rely on will be rendered useless and if he sincerely believes we will be happy, then he and his government are mad, or certainly deranged.

I recently presented a petition of some 11,400 signatures to the House of Commons. These signatures were collected in the Saint John area. The petition protests the cutbacks. Since that time, another 1,000 names have been added. I can tell the minister it is not a desired measure. Saint John is New Brunswick's largest city. Let the minister name one other province in mainland Canada which has its largest city not serviced by a major passenger rail service. There are none. Saint John has been cut off. Southern central New Brunswick has been cut off. Atlantic Canada has been cut off. The minister shows his indifference by getting up and walking out. From the point of view of this minister, the citizens of our region are nothing more than pimply pests on the posterior of time. The government will find out in due course just how pesky we can be.

I will leave a message for the minister, his government, the supporters of his government and those people who will stand this evening and vote against the motion put forward by the official opposition and the amendment put forward by the New Democratic Party. The message is from all people. Listen well, Mr. Minister, listen well to me; for if you don't, the last whistle that blows will surely blow for thee.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I support the minister's decision, and I am rising now to defend it. The minister has made a decision to invest in Canada's future. He has made a tough one because, as we have heard here tonight, there are many voices asking us to invest in small decisions which support inefficiencies and drain away the money and the capital we need for our rail system in the next ten to 15 years.

Mr. Taylor: Tell that to the people who have to walk.

Mr. Fisher: I hear hon. members opposite from western Canada talking, and I ask them especially to remember that their region in this country is going to need $12 billion to $16 billion in new investment in railroads over the next decade. We want that money to be there, and we cannot afford to waste that money on empty trains which use up needed investment.

Mr. Siddon: Just leave us alone. Let us make our own decisions.

Mr. Fisher: Last Friday the minister told us that every time a passenger gets on a train in this country, we pay $70 in subsidy. Three of us were in a taxicab after the minister made that comment. I asked the driver how far he would take the three of us for $210, and the driver told us he would give us a ride to Montreal, buy us tickets to the Expos game, wait around and bring us back to Ottawa afterwards. That is the kind of expense we are undertaking with these kinds of trains.

The minister has taken a fundamental decision which stresses three important points. He has said, first and foremost, that we must put a cap on the subsidies we give to the

passenger rail service in Canada. Five hundred million dollars is enough in subsidy. The minister has made the decision that there will be no blank cheque for the passenger rail service because we need the money for other rail services which are more productive. The minister has said that if VIA Rail needs more money, then VIA Rail will have to earn that money. Third, the minister has given VIA Rail the tools to go about earning that money. Despite the emotional claims we have heard tonight, he has not abandoned VIA Rail. He is supporting VIA Rail. He is giving that service the capital it needs to buy new rolling stock in order to attract new passengers and get more revenues so that the subsidies can go down.

We can hear the uproar, but we also know the facts. The uproar will die, and we hope the subsidy will die with it. The uproar we have heard here today is typical of the distortions which are happening in this debate. Let us make it clear that the very motion today, which our friends in the New Democratic Party call reasonable, says we are abandoning VIA Rail. We are not abandoning VIA Rail.

We have heard other distortions, such as that we are losing our passenger train service. We are not. We are reducing 19 per cent of the route miles that passenger service offers. That effects 1.2 million passenger trips every year, 600,000 of which are in my area, that is, Toronto. They are commuter trips. Those commuter services should be left alone by the federal government. We have no business offering them. There are three routes in the metro Toronto area on which currently we are doing a big favour to the Government of Ontario. We are paying $70 a head for 600,000 passengers in the metropolitan Toronto area every year. That is a cost which should quite rightly be transferred to the people of Ontario and not paid by the Government of Canada. We had acknowledgement of that fact from the government of Ontario. In its task force report, recommendation No. 4.7 on page six of the final report describes the geographic area covered by this commuter service. It is the exact same area that we are transferring to Mr. Snow and his colleagues in the government of Ontario.

● (2040)

I ask all members to pay close attention to that good Tory and good Liberal, a friend of mine, a man who knows his way around railroads, Paul Hellyer, who stated in a recent newspaper column:

> At long last the government has decided to face the music. Inevitably, however, the reaction has been shrill and abusive—
>
> It isn't surprising to hear the politicians yell blue murder because that's what the game of politics is like. But when the press climbs aboard, responsible politicians must wonder if there is any hope. Last week, for example, *The Globe and Mail* attacked government spending as the cause of inflation. Now it condemns the first serious effort the Liberals have made in a long time to cut expenditures. Cynicism is a two-way street.

Mr. Deputy Speaker: Order, please. The hon. member for Richmond-South Delta (Mr. Siddon) rises on a point of order.

Mr. Siddon: Mr. Speaker, I wonder if the hon. member who just resumed his seat might entertain a question?

Mr. Deputy Speaker: Does the hon. member for Mississauga North (Mr. Fisher) accept a question?

Mr. Fisher: Mr. Speaker, I only have ten minutes, which does not permit time to accept questions. Perhaps if there is any time left at the end of my speech, I can accept the question.

All of the critics who have risen to attack this action have forgotten one simple fact. We have to come back constantly to that fact. VIA Rail cannot have, does not have, and does not want a blank cheque from the Canadian people. VIA Rail this year is costing the Canadian people $450 million in subsidies. We want that subsidy to be spent in the most effective and desirable way. We are prepared to spend that money in a fashion that will keep full trains running. We will also get new equipment, which is an investment in that railway's future. That is a fact that has been acknowledged and applauded by the president of the railroad, Frank Roberts, who says:

> —now we've got a good basic system we can build on—

Roberts insists it will mean millions of dollars for badly needed new equipment. To be precise, it means $450 million over the next three years for new equipment. That equipment will not only be used, as has been said here, in the Quebec City to Windsor corridor, but will be used in Atlantic Canada and western Canada.

It will not simply be a shuffling of dollars from one railroad to another because we have written a costing order. It will be a genuine saving and a genuine investment. It will free up money that otherwise would not be available for the major investment and resource projects, in double-tracking, in the new Rogers Pass project and for the other projects that bring so much hope and are so necessary for the development of resources in western Canada and all across Canada.

No longer do we need to maintain worn out old patterns just because they are comfortable patterns. This country needs to look at its rail transport system. We need to invest in the effective, productive places.

We need to look at each of these subsidies and ask about their value. We should ask whether they are draining off resources that would otherwise be used for a stronger economic future. The minister has done that with VIA Rail. We have a lot more similar tough decisions to make along that line in the next ten years.

When we hear about this kind of local petty boosterism of encouraging people to go down to the railroad station and clap when the train comes in and then get in their car and drive home, to clap simply because the train was there, we must ask ourselves whether that is a productive way to build our future. Is that a genuine option? I do not think so.

The real option is one where we build a rail system that will endure into the next century because it is built to fill an economic need and to perform economically.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the hon. member for Mississauga North (Mr. Fisher), we hope, has gone a long way this evening toward realizing his ambition

to be chairman of the transport committee. The minister may look kindly upon his efforts tonight, although one can only look with horror upon the prospect of such a chairmanship, having listened to the hon. member tonight.

Many of the arguments for keeping the lines which have been abandoned by the government in this latest dictatorial move were made well and often this afternoon in terms of energy, jobs, national unity and tourism. I do not intend to try to go over them in the short ten minutes allotted to me. I want to emphasize a few of the points and, perhaps, bring in a few new ones.

Something we have not talked about with regard to the reduction of service in northern Ontario is the fact that many people have cottages between Winnipeg and Farlane in Ontario. As a result of this most recent announcement by the government, people will have no opportunity to go to their cottages on weekends from September through to June. That is a small problem on a national scale, but those people have made a big investment. They are among the people served by that line on which service has been reduced. I wanted to bring that to the attention of the Minister of Transport (Mr. Pepin) as well.

The hon. member for Kootenay-East Revelstoke (Mr. Parker) mentioned the problem of passholders in general. The minister does not realize what he is doing to Canadian National passholders. The arrangement that VIA has with Canadian National Railways is that CN passholders can only travel on what were formerly or are at present CN lines. This proposal effectively disenfranchises almost all CN passholders. CN passholders in Winnipeg can only travel to Capreol. They cannot get to Toronto, Montreal or west. They can go north.

The pass privileges these people have received over the years as part of what was negotiated at the bargaining table has been taken away by the minister in one fell swoop. This falls particularly hard on pensioners who rely on their pass and tend to use it more than young people, particularly those who do not drive. Unless there is a change in the relationship between VIA and CN as far as pass privileges are concerned, there are many people, who now are unaware of it, who will be badly affected by this decision of the transport minister.

Part of the problem with VIA Rail is that they treat passholders as though they had some kind of disease instead of as people who have earned the right over a number of years by working for the railroad. The minister is here tonight. He has not looked up since I have started to speak.

Mr. Pepin: I can do both.

Mr. Blaikie: He does not know what he is dealing with here. I come from a railway family. My grandmother lives in Biggar, Saskatchewan. She has a CN pass. My grandfather worked for the railroad as a car knocker in Biggar from 1912 to 1958. My grandmother will not be able to visit her children and grandchildren in Winnipeg as a result of the decision made by the transport minister to reduce service between Saskatoon and Winnipeg.

Those in Melville, Watrous, Rivers, a line I used to work as a pantry man, have been completely erased from the railway transportation system. I can tell the minister they will not forget it.

The last thing I want to say is that this is a test for the Liberal backbenchers to show whether they have any integrity. We want to know. We will be watching tonight to see where are the hon. member for Kenora-Rainy River (Mr. Reid), the hon. member for Thunder Bay-Atikokan (Mr. McRae), the hon. member for Cochrane-Superior (Mr. Penner), the hon. member for Timmins-Chapleau (Mr. Chénier), and the hon. member for Nickel Belt (Mrs. Erola), members whose ridings are on the lines that are affected by these reductions. If they are here and have the nerve to vote against this particular motion, that is something that will be carried to each doorstep in their riding. I am sure each opposition party will promise them this.

● (2050)

Some hon. Members: Hear, hear!

Mr. Blaikie: The pathetic state of what it means to be a Liberal backbencher in this government will be illustrated tonight in a way that could never be illustrated before. People will be standing up one by one like seals voting against the interests of their own constituents. I can hardly wait to see this. In my heart of hearts, it will make me sick to watch this. We will probably see it happen. I have said enough, on this, Mr. Speaker. It is absolutely beyond the pale of this government to reverse the decision which it has made in such a dictatorial fashion. Yet it does not have the nerve to look people in the eye and try to justify this regrettable and stupid decision.

Some hon. Members: Hear, hear!

Mr. Bill McKnight (Kindersley-Lloydminster): I welcome the opportunity to speak in this debate. I found it strange that one of the speakers from our side found it necessary to mention that Otto Lang was more democratic than the Minister of Transport (Mr. Pepin). The members of the Liberal party who know Otto Lang will find it difficult to believe he would be more democratic than the Minister of Transport.

Mr. Deniger: I spent many years under that direction.

Mr. McKnight: I hear the hon. member for La Prairie (Mr. Deniger) saying, "I spent many years under that direction." He would understand, therefore, the analogy that has been drawn.

This is a timely debate, Mr. Speaker, because the Parliament of Canada has been denied until today the ability to speak and discuss the abandonment of almost 20 per cent of the rail passenger service. Our party found it necessary to travel across the country this summer to let the public of Canada express its concerns and to state facts and information as to why the passenger service should be retained as it is at present. I believe there is reason for the people in the province

of Saskatchewan to present petitions and to make interventions and representations. For instance, the town of Unity, ably represented by Mrs. Leeson, said:

> The federal government and VIA Rail's decision to discontinue through rail service is beginning to leave a bitter taste in our mouths. We feel annoyed, exasperated and, to say the least, very angry. Exasperated, because Mr. Pepin seems to be hiding from the general public in not allowing any public meetings to express our objections and concerns.

I should like to point out that the then Minister of Transport, during the time of the Western Economic Opportunities Conference, now Senator Marchand, said:

> I am sure that it is also clear to the provinces that we will need to involve municipalities and that consultation at a local level is of essence.

This government denied the process: it did not allow the municipalities to make statements; it did not allow the public to become involved in its decision. The manner in which the present minister made the decision, without consultation, without public hearings, without parliamentary debate, has been criticized across the country.

I should like to refer to Mr. Homer Hallberg, local chairman of Lodge 1230 of the United Transportation Union at Biggar. He told the task force of the severe hardships and economic consequences if this cut of the northern transcontinental goes throught. He said:

> It should be pointed out that the transcontinental service which VIA Rail is offering, will create hardship and inconvenience to anyone travelling from Saskatoon to Vancouver. Such people will have to change trains at Edmonton and go to Calgary to entrain for Vancouver, an extra 200 miles or more. And travelling east of Biggar, for example, passengers will have to stop overnight in Saskatoon or travel that far by some means other than train. There are many elderly people who, for medical reasons, cannot utilize other means of transportation, such as planes, and who do not have motor vehicles accessible to them. And what of young families who choose to travel "the way of the worry free"?

This was a representation made on behalf of the citizens of Biggar.

The Parliamentary Secretary to the Minister of Transport, the hon. member for St. Boniface (Mr. Bockstael), is not in the House. There are about 1,600 railway workers who will be laid off because of the arbitrary decision. Approximately 225 workers will be laid off in the city of Winnipeg. If the hon. member wishes to protect the Minister of Transport rather than his own constituents, that is his choice. I believe he will pay dearly for that in the next general election because 225 jobs in the city of Winnipeg is an important matter.

Mr. Pepin: That is not right.

Mr. McKnight: The Minister of Transport is saying, "That is not right". So far he has not disputed the 1,600 jobs. He cannot dispute the 225 lay-offs. He will tell us, Mr. Speaker, $30 million is available for retraining. So far we do not know who will receive the money or how the money will be administered, and we do not know when these people will become eligible for it.

I should like to point out again what Mrs. Leeson said. She said:

> What is the logic in running (the train) between Winnipeg and Calgary, when the ridership has been heavier over the CN route between Winnipeg and Edmonton and where it better serves Saskatchewan and Alberta, as CN runs through the more central part of the provinces?

I would like to give to the minister a little lesson on the geography of the province of Saskatchewan. The province runs about 750 miles in depth from north to south. The CP line he has protected runs within 100 miles of the United States border. I would like the minister to explain to the people who live 600 and 700 miles from that train service how they can take advantage of the transcontinental. I know he does not care. It would be nice for the people who live 600 and 700 miles away, to have some idea how they could avail themselves of this new equipment, this new capital that the member for Mississauga North (Mr. Fisher) spoke so eloquently about.

The minister today, by his own admission, stated that capital will be needed and that we, in western Canada, we, in Atlantic Canada, and we, in Quebec and northern Ontario will benefit from the investment in capital. He said, "Two to three years for LRCs". But we will not do it in that time. It takes three years to have LRCs put on track. We have not placed the order. This is something we have to look at. The people of Atlantic Canada, the people of western Canada, the people in northern Ontario, the people in Quebec are paying for the additional service that the member for Mississauga North was so proud of. I can see why he is happy. He receives our tax dollars to guarantee a train service in Mississauga, and he receives our tax dollars to support the huge subsidy at Malton airport, which is right beside his constituency. He is happy. However, the majority of the people of Canada are being denied by the government something that is rightfully theirs and something they will long remember was denied them by the Minister of Transport.

I would like to point out to the minister the difference between his administration and past transport administrations. This is the first time in modern history, to my knowledge, and I stand to be corrected—the minister is a little older, maybe he can tell me—that Section 64 of the Railway Act has been used to cancel a train service, to cancel a passenger line, or to cancel a service. I look back to the Progressive Conservative government. During that administration, the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski), used the act to put service in place. It was used to guarantee service that was scheduled to be moved out.

At one time, Section 64 was used by the hon. member for Vegreville to implement and maintain service for the line in northern Ontario. The service was increased, under the previous government, from three times to six times a week. The Atlantic was confirmed for retention following the CTC's recommendation under Section 64. For the information of the minister, the hon. member for Vegreville used the section to add to the permanent network additional branch lines, which are badly needed for the movement of grain in western Canada.

I would like the people in my constituency and the people throughout the east and west to know that if the minister removes passenger service by a sweep of the pen, he can also

move their branch lines away from them and deny them access for their grain.

We have seen a commitment over the past number of years on behalf of several provincial governments and on behalf of municipalities to implement a transportation service. However, this minister is denying the majority of people in western Canada a transportation service. I find that totally incredible, Mr. Speaker. I do not understand a government that is raising the price of gasoline to well over $4 per gallon—which will cause great hardship and at the same time will remove the cheapest mode of transportation that is available to the people of Canada, namely, rail service.

• (2100)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I should like to take a few minutes to discuss the impact of the decision made by the Minister of Transport (Mr. Pepin), and to explain to my constituents why I am against this motion. First of all, Mr. Speaker, for the benefit of those who may be interested, in 1975 I was involved in submitting a petition to the Canadian Transport Commission, when the minister was proposing to abandon the line from Montreal to Mont-Laurier, more commonly called the "petit train du Nord". Because of the importance of this mode of transport for the people living in the lower and upper Laurentians, I felt that the Canadian Transport Commission should hear all arguments in favour of retaining and preserving the service. That is why my colleague from Pontiac-Gatineau-Labelle (Mr. Lefebvre) and I organized a series of representations to the Canadian Transport Commission to defend and support user interests. Unfortunately, and this was a great disappointment, Mr. Speaker, I received no letters or telephone calls supporting the action I took in 1975 in order to save this means of transportation. Some municipalities in my riding told me they did not write to say they were supporting my action for the simple reason that they did not feel the travelling public wished to go on using this kind of transportation.

In my presentations, Mr. Speaker, I said that if the travelling public had abandoned this means of transportation, it was for the simple reason that no attempt had ever been made to update the system. Equipment was obsolete. Anyone travelling in this part of the province of Quebec will notice that the trains are at least 25 years old and that service is poor, to say the least, while people who use public transportation expect to be able to travel and get to their destination at a given time and not to spend three hours on a trip that should normally take about an hour or an hour and a half.

Well, for all these reasons, Mr. Speaker, in 1975 I had to represent the interests of the travelling public, people who go to the lower Laurentians in the winter for downhill or cross-country skiing and in the summer to the lakes and other scenic areas in my riding. However, in view of the lack of interest among the population and the travelling public in 1975, and despite efforts by groups such as the chamber of commerce in my riding and that of my colleague from Pontiac-Gatineau-Labelle, it is clear that people are not really interested in using this means of transportation for travelling, and this is partly due to obsolete equipment, the system's unreliability and also the lack of regular services. For all these reasons, the people in the area and the travelling public from Montreal did not, in 1975, and still do not show very much interest in this means of transportation.

On the other hand, I would not like to see this system or mode of transportation phased out permanently. I would like to urge the minister—I see that he has left the House, temporarily I hope—I would like to ask him if in view of the test runs to be carried out in the Windsor-Toronto-Ottawa-Montreal-Quebec City corridor, it would not be worth while to equip the Montreal-Mont-Laurier line with modern equipment manufactured by the Bombardier company, for instance, which is making quite a name for itself internationally in this type of transportation equipment, which would provide the travelling public with a cheap, reliable and rapid transit system in any kind of weather. Perhaps the equipment could be tested in the same Windsor-Toronto-Montreal-Quebec City corridor, and then a case could be made for using the trains to facilitate access to the Laurentians and make it possible for people travelling to ski resorts and cottages in my riding to use this rapid transit system, which could easily compete with the conventional highway system.

For these reasons, Mr. Speaker, I have decided to vote against the motion, because I believe that it does not represent the kind of action I would like to support since the inconvenience being caused to the public is being used to annoy and embarrass the government. I feel the present government is making a concerted effort to provide good administration by trying to cut unnecessary costs, and this includes the VIA Rail cutbacks, if we look at the number of people among the travelling public who use this type of transportation. So for all these reasons, Mr. Speaker, I intend to vote against the motion. However, I would ask the minister to ensure that results of the test runs to be made in the Windsor-Montreal-Quebec City corridor will be used to provide this area with a satisfactory, modern and rapid transit sytem in the years to come.

[*English*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on this motion. I know of no other issue that has so inflamed the hearts of Canadians, from the Atlantic to the Pacific, than the announcement in July by the Minister of Transport (Mr. Pepin) that the government will cancel 13 railway passenger routes and reduce six others, thus cutting from four to two our transcontinental runs, effective next month.

This 19 per cent cut in rail passenger service across Canada has been hailed by the minister as a vital step in the restructuring and reshaping of VIA Rail. I can tell the minister, quite frankly, that it is looked upon as a major disaster and a slap in the face not only for Nova Scotians but for all citizens of Atlantic Canada. This decision is illogical, it is discriminatory and it is counterproductive. It is the first time in the history of this nation that a federal government has decided arbitrarily to eliminate railway passenger service on such a massive scale without the benefit of public hearings, the opportunity for parliamentary debate or examination by the Canadian Transport Commission, a body set up to protect Canadians from this type of dictatorial action.

The government's attitude toward the people it was elected to serve is quite obvious as set out in a letter signed by the Minister of Transport on August 31 and directed to the executive secretary of the Canadian Railway Labour Association. In view of the limited time available to me, I shall not quote all the letter but on page 2, in paragraph 2, the minister stated:

> The recent cabinet decision was one of policy and within that policy little discretion would have been left for the CTC in its application—as funding limits and train role priorities were declared.

In other words, Mr. Speaker, this is not just a decision by the federal Minister of Transport; this is a decision that has the approval of the entire cabinet. The government is saying, in effect, "We will take no notice whatsoever of the regulatory body called the Canadian Transport Commission, except when it suits our purpose. Again, we will take no notice of Parliament and on this issue we will not even bother to consult with members of Parliament, the people's elected representatives, because such consultation at this time would not suit our purpose. We will, rather, bulldoze this through cabinet against all opposition and in defiance of our constitutional rights and obligations which include a commitment to provide this nation with adequate transportation facilities." That is what the government is saying. By a simple cabinet directive, the government is implementing a cutback which would affect 1,200,000 passengers and some 1,600 railway employees.

• (2110)

A century ago our government leaders, some of whom were Liberals, developed and encouraged our present railway system in order to enable Canada to become the country that it is today. At that time, there was no alternative but to knit together such a far-flung region into one country, and it is no less true for us today. Fifteen railway lines are to be discontinued, leaving many communities without rail or air transportation. This cannot help but encourage a feeling of isolation and the growth of regionalism which many Canadians are now supporting. If Canadians have ever before doubted that this Liberal government was out of touch with the country it governs and its people and unconcerned about their problems, they now have ample evidence of it with this cutback in rail service.

I cannot help but wonder as a Nova Scotian how much more Canadians will have to endure before they stand up and demand accountability from those they put in office to look after their affairs. Certainly, they cannot accept the present state of affairs which has brought about low productivity, unimaginable delays, and wrangling over vitally important energy development projects, uncontrolled inflation, crippling interest rates, a monstrous public debt, a substantially discounted dollar, and constant confrontation between business and government.

Is it any wonder that foreigners who see this country as being rich beyond description in resources question our inability to achieve economic wellbeing because we accept and condone stupid, non-starter policies such as this cutback in rail service? That is the kindest description I can give it. This change must be made, says the hon. minister, in order to save the taxpayers money. However, in what has been termed by some Canadians as the next golden age of trains, this may well be a move which is penny-wise and pound-foolish.

In the maritimes, and in my area in particular, the announcement of the cancellation of the passenger train service between Moncton and Edmundston, New Brunswick, and the major train, "the Atlantic", which links Halifax, Moncton, Saint John and Montreal, has raised fear that the railways may also abandon more freight lines. More important, they may seek to abandon, by a stroke of the pen, some of our ferry services which are so vital to us in Nova Scotia and in Atlantic Canada. This would deprive Canada, and Atlantic Canadians in particular, of an essential tool in getting our goods to markets in central Canada and the United States.

I say to Your Honour that the question must be asked: are the savings of VIA not offset by increased costs to other branches of government required to deal with increased unemployment? The answer, of course, is yes. There was no indication in the government's announcement that this side of the problem was even considered in any manner whatsoever.

In my constituency, the government's attitude toward the provision of adequate passenger and freight service through the railroad has been of some major concern for some time. It started with a press notice on November 5, 1980, which closed out 11 express agencies, seven of which were on the south shore. There were strong objections raised to this move at that time, all to no avail. Later, there were strong objections raised to the government's plans to abandon freight service between Liverpool in Queen's County and Yarmouth, Nova Scotia. The minister also paid no attention to any of these pleas, all of which I, as the member of Parliament for the area, supported in committee and with speeches in the House.

I ask Your Honour, how much has the minister saved by that action? According to the records, in the last five years, the line between Liverpool and Yarmouth, Nova Scotia, lost only $3.5 million; and although this government could not find the money to provide a service for five years on the south shore of Nova Scotia, it could, at the same time, write off $600 million of a debt owed by Mirabel, the biggest white elephant in this country's history.

An hon. Member: Tinkerbell.

VIA Rail

Mr. Crouse: Only this week I received a further letter from the mayor and town council of Liverpool concerning the proposal to abandon CNR services west of Liverpool. They have specifically asked that no action be taken to remove the rail lines within the town as they will be of benefit to the future development of the town. At present they service Steel and Engine Products Limited, which is a large industry within the town.

I say to this House that Canadians, who are already faced with a dramatic increase in bankruptcies this year, should not be forced into this type of confrontation with the government over railway policy.

Some hon. Members: Hear, hear!

Mr. Crouse: According to the government's own figures, 625 businesses a month went bankrupt in the first eight months of this year, at a cost of $633.5 million. In the same period last year, 540 firms a month went bottoms-up, at a loss of $475.6 million. How many businesses must go to the wall, along with the shattered dreams of their owners and lost productivity to this nation, before this government which sits on Your Honour's right wakes up and realizes that its policies are not working and that its programs are leading this nation in the wrong direction, as is the present railroad policy?

I say that if this government wants to save money, I will not only be critical but I will give a concrete suggestion which will save many millions of dollars. This can be done by simply discontinuing the government's policy of providing free ice-breaking services to users of the St. Lawrence River. In my view, these services should not be free to commercial shippers using Montreal, any more than railway services or ocean terminal services are free to international shipping lines which are using Halifax, Nova Scotia. I also think the time has come for this federal government to examine the state of Canada's containership industry, especially with regard to its operations on the east coast. I urge this federal government to abide by the terms of the National Transportation Act and to equalize the situation between eastern Canadian ports to that we can compete on a fair and equal basis.

We do not seek charity in Atlantic Canada; but I tell the government, through Your Honour, that we do seek justice.

Finally, I must put the following questions to this government: do we want trains made in Canada, using made in Canada electricity, running on made in Canada rails, providing Canadians with comfortable, low-cost, convenient service; or do we want jets made in the United States, using extravagant quantities of imported oil and heavily subsidized airport facilities? Trains are the most energy efficient means of land transport known to man. We as Canadians are sadly in need of new routes and upgraded tracks in order to become competitive and more productive. I suggest that we get the unemployed off the unemployment roles and put them to work building railroads, for so doing, we will really be rebuilding Canada and providing a much needed service to all Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, I am fully aware of the impact of the initiative taken by the Minister of Transport (Mr. Pepin) as I rise tonight in the House to analyse with all the people of Canada the real purpose of the decisions of the Minister of Transport. Those who know me well are aware that my interest in means of transportation goes back to the days when, as a young lawyer, I was practising transport law here in Ottawa with the Canadian Transport Commission, more particularly with the railway committee.

An hon. Member: You are still a young lawyer!

Mr. Deniger: In those days I had the opportunity to travel everywhere in Canada and to realize just how important the Canadian railways are to the people. I saw with my own eyes the importance of Canadian railways in the villages of Saskatchewan, I saw it with my own eyes as well in the maritime provinces because indeed, Mr. Speaker, the railways played a big part in the building of this country. As a politician it is not easy nowadays to hold the transport portfolio, and I must admit that I have every respect for any transport minister when he has to act as such during a period of budgetary restraints because, as it happens, it is precisely during periods of budgetary restraints that the most difficult decisions must be taken, that a choice must be made. And that choice, Mr. Speaker, was simple. It was obvious and it required a decision which could not be put off. The choice was as follows: are we going to maintain the existing VIA Rail routes, with equipment which all members agree is outmoded, through a company whose deficits are altogether unreasonable, or are we going to strengthen the tree by pruning a few branches so as to make sure it will regain its energy and vigour?

Mr. Speaker, I must admit that, faced with a decision which, politically and in the short term, will have serious consequences, but which will have beneficial economic consequences in the long term, as a government member, I must support wholeheartedly the views of the Minister of Transport because, in the short term, Mr. Speaker, no one wants to lose his train service and, of course, the members of the opposition are doing what I would perhaps do myself if a train service were to disappear in my constituency, as there is indeed a commuter service which will be abandoned. If a passenger service in my constituency were to be abandoned for good, I would do what they are doing and I would criticize the decision of the Minister of Transport because this is what they must do in the opposition in the short term.

However, this is not what you should do, Mr. Speaker, when you form the government and have long-term economic responsibilities in a period of budget restraints as is the case now. New equipment is the new blood which is going to rejuvenate the Canadian railway network for a better service. What will a better service give us? More users and more

revenue! Therefore, we have no choice but to accept in the short term that some routes be abandoned. But what does this mean exactly? People are under the impression that those will be gone forever. But if we believe in the railway passenger service and in people in authority like Frank Roberts, whose ability and integrity cannot be questioned by anyone in this House, we must realize that this decision, which is necessary, is in the best interests of all those who want a railway passenger service in this country. This seems obvious to me. And what shall we do with the money that this will save, Mr. Speaker? It will be redistributed in all the areas of the country affected by these abandonments. It will be used to reduce the deficit, to acquire better equipment and to provide a better railway service. Still, this decision is criticized. I can understand this. I accept the reasons for this in the short term.

I was listening to the former Minister of Transport, the hon. member for Vegreville (Mr. Mazankowski), when he said at the very beginning of his speech this afternoon that he wanted an adequate railway service for Canada. I underline the word "adequate", Mr. Speaker, because what I want myself is not an adequate railway service, but an excellent railway passenger service. If we want an adequate service, we only have to keep what we have now, that is old equipment, more or less reliable routes and a mediocre schedule, but if we want an excellent service, if we really want to provide the service that the population should expect, we need new equipment, and this takes money. This money must come from savings and these savings will come from cutting back on the lines which are operated at a deficit.

Let no one suggest that this decision is illegal because I know quite well that all the ministers of Transport in the past, including the hon. member for Vegreville, have used Section 64(1) to make sure that their actions were legal. There is therefore nothing illegal in this decision, Mr. Speaker; it is perfectly legal. I am certain that if the Progressive Conservatives make good on their threat, that is, to ask for an injunction against the Canadian government, their request would be denied. The decision is legal, it is economically sound, it is the right decision in a period of budget restraints. Therefore, Mr. Speaker, I must say to this House and to the Canadian people that although this decision will have serious political consequences in the short term, in the long run it is the right political and economic decision to make for a responsible government.

• (2120)

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this great binge of economy that we have heard discussed today might be put in its proper light if we said the debt that was forgiven at Mirabel is now being financed by the issuance of Canada Savings Bonds at 19.5 per cent. The government could have saved $97.5 million this year, if it were an estimated $47 million operating deficit. Therefore, had the government had a little of the saving discretionary powers, more would have been saved if Mirabel had never been built and operated than will be saved by implementing the plans before us at present. There is one spot alone that benefits, and that is in the golden triangle. What we have heard today, ranging through the golden circle from Mississauga North through La Prairie, through the constituency with Mirabel in it, is a defence of this program which deprives the rest of Canada in one degree or another.

I want to say to the hon. member for Mississauga North (Mr. Fisher) that if he had travelled through the country as I did with the committee and if he had listened to the social needs expressed by Canadians from coast to coast, he would not have had the audacity to stand up representing the central part of Toronto, the hinge of the golden triangle, and say "Yes, cut those services, saving only the golden triangle".

Some hon. Members: Shame.

Mr. McCain: Rarely have I had the displeasure of witnessing a move which was considered as divisive from the east to the west coast of Canada, saving only the golden triangle.

We have heard from the hon. member from Moncton (Mr. McCauley). Those who were with us on the visits to Moncton have heard representatives of the chamber of commerce and of the unions who were united in their presentations. Hon. members have heard professors from the university. Just this week we had the president of the student council from the University of Moncton telling us that he did not know how to get from Grand Falls to Moncton because the train service is being discontinued, and he could not afford to go by other means.

Is it not rather significant that the people who are being deprived of lines on the government side of the House have had nothing to say? What about the hon. member for Victoria-Madawaska (Mr. Corbin)? I remember, when serving on the transport committee, warning the hon. member for Restigouche (Mr. Harquail) and the hon. member for Madawaska-Victoria that there was no way they would both get passenger service if the Liberal government stayed in power. And they are not getting it. The riding of Madawaska-Victoria is now deprived. Again, there is the student population, those who were going for special medical services and those who were going to visit and shop in the city of Moncton. They are all affected because of the area's socioeconomic links with the city of Edmundston. Therefore, they are deprived. Their service has gone. That service should be kept. But I say to you, Mr. Speaker, that if you want to maintain the social and ethnic elements in that part of Canada, not only should that train go from Moncton to Edmundston but it should be continued to the city of Quebec.

I did not hear anyone speak from New Brunswick except for the hon. member for Moncton. In all the presentation, there was no one who supported the government's position. However, I want to mention one more thing in connection with the hon. member for Moncton. Inherent in this motion is the willingness and the offer of the Conservative party to extend to this House of Commons unanimous consent with the clear

understanding that this is not intended in any way, shape or form as a motion of non-confidence.

An hon. Member: It is a free vote.

Some hon. Members: Oh, oh!

Mr. McCain: If you want to know something about the rules, Mr. Speaker, why do you not advise the hon. gentleman that when the House is determined to give unanimous consent on any subject matter, the rule may be overridden and ignored. Unanimous consent is yours, if you have a conscience and want to vote for Canadians.

Mr. Taylor: Trudeau says no, so the Liberals say no.

Mr. McCain: Overlooking the convention of unanimous consent.

Some hon. Members: Oh, oh!

Mr. McCain: Do not show your ignorance to your constituents who may be watching you on television.

Some hon. Members: Oh, oh!

Mr. Taylor: They have to do what Mr. Trudeau tells them.

Mr. McCain: This is supposed to be a saving.

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

Mr. McCain: On somebody else's time, please, Mr. Speaker.

Mr. Harquail: Mr. Speaker, the usual mood prevails after dinner. But I want to say that the hon. member has mentioned Restigouche. I would like to remind him that the Ocean Limited and VIA will continue through my part of New Brunswick, northern New Brunswick, with no cutback in the service.

Some hon. Members: Oh, oh!

Mr. Corbett: Patronage.

Mr. Deputy Speaker: The hon. member does not have a point of order.

Mr. McCain: Mr. Speaker, I will be happy to report to New Brunswick how little one New Brunswick member cares for the rest of New Brunswick.

Some hon. Members: Hear, hear!

An hon. Member: Or the rest of Canada.

Mr. McCain: The saving is purely artificial because what the railroads do not get out of VIA, they will collect in freight rates. Do not forget that.

• (2130)

The other thing that you should remember is that VIA was saddled by this government when it was initially established with a cost structure differing from that of the railroads, which made it impossible for VIA to become viable. VIA was never intended to be viable. It was never intended to operate as do the systems in Japan, as does Amtrack or as do the systems in Britain or France. It was intended to fail and it was doomed to obvious failure when it was saddled with paying 64 per cent of all its expenditures to CN and CP. Every nickel that is taken out of their coffers is taken out of taxpayers' pockets through increments in freight rates. That is a false saving.

This says nothing about the fact that perhaps $40 million will be lost in Japanese tourism on the west coast, nothing about strangulation of tour plans by VIA and those in the Annapolis Valley, and nothing of tourists who came in from the Atlantic and go to Prince Edward Island and on to Newfoundland. The government is saving money on the backs of every Canadian who is in the tourist business, every one of them. The government is saving money at the expense of senior citizens who prefer to ride on the trains. The government is saving money at the expense of students who travel—and we talked with them from coast to coast in Canada—by the cheapest means of transportation they can find in Canada; the government is saving money on their backs including the backs of people in Moncton. The government is saving money at the cost of inconvenience of the disabled, who made several presentations to point out that for the sake of economy, convenience and comfort, not otherwise available, they travel VIA Rail in practically every instance. The government is saving money at the expense of those who for health reasons cannot fly, and it is saving money at the expense of those who cannot drive. The government is saving money at the expense of the servicemen of this country who are posted far from home with inadequate incomes to travel by any except the cheapest means at their disposal, and saving money at the expense of the small businessman who cannot afford to travel by air, and there is a multitude of them definitely using VIA Rail. Those are the people on whose backs the government is saving money. It will have to transfer this to freight rates when the railroads have to collect the difference. The government is saving money at the expense of several thousand people. Some 1,600 will be dismissed, and what is the multiplier factor? If it is 7, we are looking at something like 10,000 jobs which will disappear directly or indirectly as a result of cutbacks in rail transportation. That is how the minister is saving money. I suggest he vote for this on behalf of New Brunswick because the government will suffer the political consequence otherwise.

Mr. Bruce Lonsdale (Timiskaming): Mr. Speaker, I thank you for this opportunity to speak about the future of rail transportation in Canada, and especially the service to northern Ontario. Throughout our history there has been an assumption that transportation, especially cheap transportation, was too important to allow economic considerations to interfere with service. National unity, economic development and frontier settlement were far too critical to apply a real dollar value to them. But today, anyone who speaks about passenger train transportation in Canada has to refer to the

economic realities of cost ratios per passenger; that is, the cost to the taxpayer for every passenger who boards a train.

The fact is that every time a passenger steps on a train in Canada, the taxpayers pick up two thirds of the fare. Even with the $500 million in subsidies VIA Rail receives, the chances of a full recovery of our passenger systems are very slim. The Canadian people pay $410 million to VIA just to cover their operating losses, even if they do not travel by train. Passenger service on the scale we now have is simply too expensive.

We had hoped, with the introduction of the VIA system in 1977, that profits could begin to lower the deficit of our passenger system. This was the motive of the transportation acts introduced in 1977. At that time the Crown corporations involved in passenger transport were directed to strive toward making a profit.

An hon. Member: Slow down.

Mr. Lonsdale: I have only got 10 minutes. Canadians have always had an emotional attachment to trains. But, the simple fact of the matter is that today people are not using trains to travel. The trains can only be profitable if enough people use them.

An hon. Member: Slow down.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member for Timiskaming (Mr. Lonsdale) has the floor.

Mr. Lonsdale: Mr. Speaker, I will set my pace to a speed at which hon. members can understand me.

Opponents of rationalization say that trains have to be considered a public service and they have to operate in the public interest. But the public interest also includes fiscal responsibility, reducing the federal deficit and, hopefully, inflation.

A good example of the cost ratio for a route in northern Ontario is the route from Senneterre, Quebec, to Cochrane. For every passenger on this route, the taxpayer has to pay 77 cents for every dollar of cost. With only a 25 per cent occupancy rate, this train is not efficient enough to continue service once a day. This service has thus been cut to three times a week. This major link between Cochrane and Montreal is not fully utilized, and economic considerations have to outweigh the desirability of continuing this route on a once a day basis.

The line from Capreol to Hornepayne is very similar, with a .05 per cent cost ratio and an 11 per cent load factor. There are other services that are even less efficient. I refer to the route between Sudbury and White River.

However, pure economic rationalizations do not take into consideration the very special needs of northern Ontario. There are many communities in the north which are rail dependent. Some of these have other links to the rest of the province only on a seasonal basis. If pure economic considerations are applied to these rail links, the fragile social and economic environment of these isolated communities could be disrupted forever. As a member of Parliament from northern Ontario, I am attempting to convince the Minister of Transport (Mr. Pepin) that these rail lines have to be protected.

I am not, however, advocating that the minister return these lines to the service levels they had before the announced cuts. What I am saying is that the Canadian Transport Commission and the provincial and federal governments have to explore the possibly alternatives to the types of service provided before.

You may note that the Minister of Transport this afternoon talked about the Scrivener report under the Ontario government. I have here a motion from the Northeastern Ontario Municipal Association, an area in which the Conservatives failed to hold a hearing. This is the only place in which they turned down the opportunity to hold a hearing. In any event, the association moved a motion which I should like to quote. It states:

> NOW THEREFORE BE IT RESOLVED: That the Government of Canada be requested to initiate a study jointly with the Government of Ontario, using the Scrivener Task Force brief as a guide, and with input from the public, on the present and future needs of rail passenger service in Northern Ontario.

What we do not need is more costly public hearings. Hearings on northern transportation systems have resulted in the same conclusions since the first royal commission on transportation in the 1920s. There have been, as you will recall, hearings within the last four years as well, and the answers and conclusions of those commissions were obvious to all of us. The conclusions were that these services are considered to be vital communications links which have to be maintained in the public interest.

We all know that the service is not economically efficient yet. We also know that it is vital to many of our neighbouring communities. No one could possibly disagree that we have to fight to maintain local service.

No one could possibly disagree that we need daily passenger service. But, with a more rational look—

Some hon. Members: Oh, oh!

Mr. Lonsdale: This is where you guys stop and all the criticism begins. We must take a more rational look at the special needs of northern Ontario and other more remote areas of this country. Only then can the solutions offered us by modern transportation technology be applied, both efficiently and economically. The facts prove that fewer people are using these lines every year. One of the reasons for this is the tremendous amount of money we spend on roads in northern Ontario.

I have the northern Ontario road construction program for 1981-82. It shows that some $60 million are to be spent on road construction in northern Ontario, while at the same time the minister of northern affairs is criticizing the federal government for not sustaining a $16 million subsidy to the Ontario Northland Transportation Commission.

I want to look at road construction in one riding in northern Ontario and how this relates to the entire operating subsidy and cost of the Ontario Northland Transportation Commission. The operating costs of that commission are $19 million, and revenues are $3 million, leaving a subsidy of $16 million.

Some hon. Members: Oh, oh!

Mr. Lonsdale: Do you want to know what the capital road construction program is in the riding of Kenora, which is also the riding of the minister of northern affairs for Ontario? In 1981 the projection is for $5.5 million for 17 kilometres. There are to be further improvements on Highway 17 and a Kenora bypass. They are going to bypass Kenora. Imagine what would happen if it had been decided that the train service should bypass Kenora. They are going to extend that bypass with a multimillion dollar project, and no quotation is provided. The Ontario minister is going to build a road into Minaki Lodge at a cost of $4.5 million, and there is another 22 kilometres project without any mention of the expenditure. In all of northern Ontario some $60 million is to be spent for road construction, but the same Ontario minister has the nerve to criticize the federal government for not spending enough on rail transportation in northern Ontario.

• (2140)

All the surveys done on rail transportation in northern Ontario show that two thirds of all trips are short hauls to and from neighbouring communities. People have to get to major centres to obtain medical services or commodities which are unavailable in the north. We need, in Northern Ontario, convenient, affordable, reliable and familiar links between our communities.

Some hon. Members: Hear, hear!

Mr. Lonsdale: These services cannot be provided as an afterthought by a supercontinental. Local links with smaller, more efficient trains and other carriers have to be considered on another basis. That is the recommendation of the Scrivener task force report on rail transportation in Ontario.

Never before has the potential for advancement in passenger rail transportation been more promising. The technological improvements in self-propelled passenger cars is the hope for the future. It is, Mr. Speaker, the final hope for rail passenger service in Northern Ontario and in Canada.

The rail diesel car, better known as the Budd RDC, and other self-propelled trains, could provide the kinds of service that northern Ontario needs today. The Budd RDCs do not require the expensive types of infrastructures that older diesel engines need, such as roundabouts and major track improvements. This makes them more economical for passenger transportation today.

An hon. Member: You need a self-propelled minister!

Mr. Lonsdale: With present-day technology, with the inclusion of kitchens and other convenient items, these trains would attract the number of people necessary to return these lines to a profit-making position. I quote, for example, the use of the Budd RDC in the rail line between Capreol and Nakima which could have a projected profit of $1 million a year. These improvements in technology could save the routes which until now have cost the taxpayers hundreds of millions of dollars a year. These moneys could be used to save the whole national rail system by providing the funds necessary for upgrading. With some rationalization of types of systems, the entire railway network in Canada could be saved.

You might argue that this is a long-range perspective. But I truly believe that if we all take a rational look at rail transportation in Canada today, we will agree that this is the only possible answer to save the whole system.

We have to fight to protect our industries and our jobs. We have to fight rationally and, more important, we have to offer practical alternatives. If we demand the continuation of uneconomical transportation lines, we will lose—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have only two minutes, so I will speak very quickly.

Some hon. Members: Oh!

Mr. Riis: The omen and irony is when the hon. member for Timiskaming (Mr. Lonsdale), speaking for the Liberals, castigates the Tories for failing to hold a hearing in one part of Canada.

Some hon. Members: Hear, hear!

Mr. Riis: I am pleased to spend at least a few minutes on this side of the House talking about this particular issue. I want to remind those opposite clearly that here is a cabinet and a minister who ignores the Canadian Transport Commission totally, ignores the transport committee of the House of Commons, ignores the Parliament of Canada, therefore the people of Canada, on an issue which has extreme ramifications in all regions.

Some hon. Members: Hear, hear!

Mr. Riis: When we hear there are 1,200,000 passengers who will be affected, surely we cannot ignore that figure. When we hear there are 1,600 railroad employees who will be adversely affected by this decision, as indicated earlier by a Conservative speaker, we are not talking about 1,600 people, we are talking about thousands of people who will be affected as a result of the spin-off effect of this decision.

In my riding of Kamloops-Shuswap I received 3,000 virtually unsolicited petitions from people indicating their outrage at this insensitive, callous decision.

What is it going to do to the thousands of small businesses across this country which are already under incredible pressure from the high interest policy of this government? What will it mean to the tourist industry of western, eastern and central Canada? What does it mean when the Liberal government says ten sets of LRC's will be spent on the corridor between Windsor and Quebec City, totally ignoring their earlier prom-

ise to spend a portion of those in the rest of Canada. Let us hope this—

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 9.45 p.m. it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 58(9).

[*English*]

Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Benjamin) which was negatived on the following division:

(*Division No. 87*)

YEAS

Messrs.

Althouse
Andre
Anguish
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Coates
Cooper
Corbett
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Kempling
Kilgour
King
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Manly
Mazankowski
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
Miller
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wilson
Wise
Wright
Young
Yurko—105.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Olivier
Ouellet
Parent
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—133.

● (2215)

[*Translation*]

Madam Speaker: I declare the amendment lost.

Amendment (Mr. Benjamin) negatived.

Madam Speaker: The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Mazankowski) which was negatived on the following division:

● (2220)

(*Division No. 88*)

YEAS

Messrs.

Althouse
Andre
Anguish
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark
(Yellowhead)
Coates
Cooper
Corbett
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Kempling
Kilgour
King
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald
(Miss)
MacKay
Malone
Manly
Mazankowski
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
Miller
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wilson
Wise
Wright
Young
Yurko—105.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Olivier
Ouellet
Parent
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—133.

Madam Speaker: The motion is defeated.

The House stands adjourned until tomorrow afternoon at two o'clock.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, October 21, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas all Canadians are aware of the situation in Poland, and whereas all Canadians are aware of the plight of the Polish refugees in the camps in Austria, and whereas Canada has always come to the aid of those in need, notwithstanding established immigration quotas, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That the Canadian government move, without further delay, to admit those Polish refugees from the Austrian camps who wish to come to Canada, and to send food and clothing and medical supplies without delay to the camps where these Polish refugees are located.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

REMEMBRANCE OF RUSSIAN INVASION OF HUNGARY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House, in memory of the events that began 25 years ago on October 23 in Hungary, express its abiding opposition to the continuing totalitarian suppression of real freedom in Hungary and in all other countries so controlled, its sincere gratitude to those thousands of Hungarians whose reason for coming to Canada was so tragic and whose contribution to Canada has been so great, and its deepest sympathy to all those who lost family and friends in the valiant fight for freedom and against totalitarianism, whose sacrifice free people must never forget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL BUSINESS

NEED FOR WORKING CAPITAL—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on an urgent matter brought to our attention via the eighth International Symposium on Small Business. Canada's extremely high interest rates have made it virtually impossible for a growing number of small businesses to maintain sufficient flows of operating capital, yet present federal financial programs provide virtually no assistance in this area. The survival of Canada's small business sector is being threatened by the present shortage of working capital. Therefore I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That the government open up the Small Businesses Loans Act and the small business development bond to allow entrepreneurs access to working capital and thereby stop the demise of our vital small business community.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

POSTPONEMENT OF PRESENTATION DATE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The Prime Minister has again broken his promise to have a budget in October and delayed the budget presentation to November 10 according to his telexed message to the provinces.

Clearly the budget contains dramatic cuts in EPF and equalization transfer payments to the provinces, and clearly the Prime Minister is afraid that if the provinces were aware of this reduction they would fail to support his constitutional

package. Therefore I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House of Commons call upon the government to produce a budget on October 27, 1981, to remove the clear suspicion that fiscal measures in the budget will not be directed against the provinces, and to come clean with the people of Canada and their provincial governments and give Canadians generally a new sense of economic direction.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EFFECT ON REMEMBRANCE DAY SERVICES—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the Prime Minister's statement indicating that because of constitutional discussions the budget cannot be presented on November 3 in view of the Minister of Finance's commitment that a budget would be introduced before the end of October, and because the date of November 10 for the budget introduction, as indicated by the Prime Minister, illustrates again the Prime Minister's total disregard for our armed forces and for our veterans because of the impossibility of members of Parliament being able to return to their constituencies to pay their respects at Remembrance Day services, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House condemns the insensitivity of the government for its total disregard for our veterans and armed forces, and that this House further moves that the Minister of Finance introduce his budget on October 27, 1981.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ADMINISTRATION

CALL FOR HOLDING OF GENERAL ELECTION—MOTION UNDER S.O. 43

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Since the government took office in 1980 it has given us high interest rates, loss of our homes, a 43-cent dollar, an unnecessary postal strike, regional tensions destroying national unity, a shattered rail system, and government by closure and order in council. It is destroying Parliament. Therefore I move, seconded by the hon. member for Red Deer (Mr. Towers):

That, due to the Prime Minister's lack of leadership and total lack of compassion and understanding of important issues, this House asks him to allow democracy to take its course and instructs him to resign his administration and to call an election, thus allowing Canadians to replace his uncaring government with a government ready to respond to the challenge facing this nation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

AID SOUGHT FOR PENSIONERS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise to move a motion under Standing Order 43. The government is ignoring old age pensioners. One of my constituents writes:

I don't get to visit and used to enjoy Christmas and birthday cards. Now they are cut to a minimum. I gave up smoking. I do my own hair and make clothes last, and am still fighting a losing battle. I went through the depression and worry that history is repeating itself.

I move, therefore, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House urge the Minister of Finance to cease flogging the dead horse of the $35 increase in the Guaranteed Income Supplement, and do something meaningful to alleviate the plight of people, such as my constituent, by repudiating his high interest rate policy, thereby ceasing to practise monetary policy at the expense of the poor and aged.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

TRADE

SUGGESTED BOYCOTT OF NAMIBIAN URANIUM—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise on a question of urgent and pressing necessity, under the provisions of Standing Order 43. In light of recent CBC reports that a federal Crown corporation, Eldorado Nuclear Ltd., is profiting from the importation of uranium from Namibia, and in view of Canada's alleged commitment to the independence of Namibia, and the distaste of most Canadians for profits derived from oppression and exploitation, I move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House instruct the Government of Canada to require the Atomic Energy Control Board to withdraw any licences which permit the importation of uranium originating in Namibia.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

PROPOSED INCREASE IN POSTAL RATES—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of some urgency. The former postmaster general announced that, at the beginning of the new year, the cost to consumers of stamps and postal services will rise significantly, the basic letter rate increasing to 30 cents. In light of the fact that postal rate increases and costly modernization have never noticeably improved basic service, and the fact that the proposed new increases will be of considerable hardship to thousands of Canadians, particularly senior citizens who rely on the daily mail for everyday business and personal use, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the government be soundly condemned for planning such an excessive increase in postal rates as a means of improving the postal service and structure, and that the postmaster general take immediate steps to ensure the increase is reduced to a more modest and appropriate level.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

CALL FOR MEASURES TO ASSIST CATTLE PRODUCERS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the government's economic policy is killing the beef industry in Canada by refusing to recognize the dire straits of cattle producers who are being forced daily into bankruptcy through a combination of high interest rates and high feed costs I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the government establish immediate measures to assist cattle producers so that the vital beef industry in this country does not go down the drain.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

HUMAN RIGHTS

PLEA FOR RELEASE OF IMPRISONED URUGUAYAN POLITICIAN—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Appeals have recently been made to a number of members of this House by Amnesty International on behalf of Mr. Alberto Altesor Gonzales, a former member of the Uruguayan Congress who has been unjustly imprisoned and frequently tortured for the last 6 years. In view of these appeals and the fact that Mr. Altesor is suffering from a serious heart ailment, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House, with the support of many parliamentarians around the world, ask the government to seek the release of Mr. Altesor and grant him entry into Canada so that he may receive medical treatment, without which he may soon lose his life.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

COMMEMORATION OF HISTORIC ANNIVERSARY—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, today is the 101st anniversary of the signing of the contract for the first transcontinental railway. I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House arrange a birthday party to celebrate the event and invite the Minister of Transport to attend in his Henry VIII costume, along with his caucus colleagues, to chop the cake which will be supplied by thousands of delighted train passengers who will also heap piles on the minister and his friends who, together, marked the occasion early last night by voting to disembowel 20 per cent of existing rail passenger service in this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

QUERY RESPECTING DATE OF PRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Finance. Last week both he and the Prime Minister indicated that the budget would be ready for presentation in late October, but that it would be delayed because the government gave priority to the Constitution. Now that the constitutional conference has been moved into November, will the Minister of Finance introduce his budget to this House of Commons next week rather than forcing Canadians to wait, while the government delays again the consideration of economic policy?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it was in response to a question from the Leader of the Opposition that I indicated I would be prepared to bring in a budget on November 3. That was the first time, as I recollect, that a member of the House asked for a specific date. That specific date was given after taking into account the rather careful and elaborate preparations necessary for a budget presentation, including the question of budget secrecy. At this point it would not be possible for me to advance the date—

Miss MacDonald: Why not?

Mr. MacEachen: —earlier than November 3. It may still be possible, depending upon the reply from the premiers, to have the budget on November 3. If that window opens I will be prepared to present the budget on that date.

REASONS FOR DELAY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Finance surely recalls that the Prime Minister, presumably after taking account of the elaborate preparations necessary for the budget, told this House last week that the budget would be brought in before the end of October.

Miss MacDonald: Hear, hear!

Mr. Clark: Obviously the budget is ready to be brought in. Will the Minister of Finance tell us now why Canadians in Newfoundland who are out of work, nearly one fifth of the labour force in that province, with fish plants closed down there, and why 100,000 Canadians who stand to lose their homes because of the government's high interest rate policy, should be forced to wait another two weeks to have the budget brought down, when the Prime Minister of Canada has indicated in this House that the budget was ready for presentation next week? Why can we not have it next week? Why should the people of Canada have to wait?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think the Leader of the Opposition is quoting the Prime Minister correctly at all.

An hon. Member: Right on.

Mr. MacEachen: He should check the exact words which were used on that occasion. I was prepared, and I am prepared to present the budget—

An hon. Member: Let us have it then.

Mr. MacEachen: —on November 3. If Premier Peckford were as solicitous about the people of Newfoundland as the right hon. gentleman is, he would not have joined with the other premiers to deliberately suggest a date that had no other effect than to delay the budget.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister said in answer to my question that the Minister of Finance, and I quote, "plans to bring down a budget before the end of this month." I repeat, "plans."

An hon. Member: What does that mean?

Mr. Clark: What that means is that the budget was ready for introduction on October 14 or by the end of October.

Some hon. Members: Hear, hear!

Mr. Clark: The Minister of Finance now refuses, for some reason, to bring the budget down when the Prime Minister has said it is ready. Will the Minister of Finance tell us is there something in that budget that is so startling, so damaging to Canadians, so damaging to the provinces, that the government is afraid to bring it down before the constitutional conference? Is there something in that budget that causes the government to fear that introducing it on the date the Prime Minister said it was ready would jeopardize agreement on the Constitution?

Some hon. Members: Hear, hear!

• (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Leader of the Opposition once again misquotes the words of the Prime Minister. After having read them correctly, he then repeats the words erroneously. At no point did the Prime Minister

state that the Minister of Finance was ready to bring in the budget next week. At no point was that statement ever made.

I had always stated, both inside and outside the House, that it was my intention to bring down the budget during the month of October; there is no doubt about that. It was repeated frequently. When it was my obligation to determine specifically the budget date, I announced in the House of Commons specifically November 3. That was the reply given to the Leader of the Opposition at that point, and the Leader of the Opposition accepted that date with no objection. Once that date was given, plans were put into place to make the necessary preparations, to do the necessary printing and to undertake the necessary distribution of budget documents throughout the country. That is what happened, and it is not possible now to bring in the budget before November 3.

However, I want to tell the Leader of the Opposition—he asked a question—that I am not afraid to bring in the budget because I think it will be greeted with considerable approval by the people of this country, perhaps including the provinces.

IMPACT OF FEDERAL-PROVINCIAL CONFERENCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Finance will know after reading *Hansard* that not only did the Prime Minister give the undertaking I quoted a moment ago but also, later that day in response to my colleague, the hon. member for Joliette, he said, and I quote the English translation:

I shall point out to him—

He was referring to the hon. member for Joliette.

—as I pointed out to his leader that the budget should be tabled before the end of the month—

Mr. Chénier: Should.

Mr. Clark: That is right, "should", and there is no question that the Prime Minister is right—it should be tabled before the end of October. The minister is saying that a budget which was ready last week is not ready any more. Will the minister tell us what has changed so that he cannot come immediately to the aid of Canadians who need aid? Will the minister tell this House of Commons why the people of Canada should be forced to wait and why they should be forced to give second place to their economic priorities simply so the Prime Minister can carry on with his preoccupation with the Constitution?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it seems to me that the Leader of the Opposition is focusing on the wrong situation. I got up in the House of Commons and stated that the budget would be tabled November 3. I was prepared to carry through. Then the premiers, knowing full well that the budget date had been set, said, "No, we want a federal-provincial conference on that date". If the Leader of the Opposition wants to ask a question, why does he not ask the premiers why they deliberately attempted to forestall a budget which was due on November 3?

Oral Questions

THE ECONOMY

OUTFLOW OF CAPITAL TO OTHER COUNTRIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, that is the most transparent answer we have received in this House. It is the most transparent attempt at deflection onto someone else. The buck stops right there, on the government benches. The minister should say when he will table his budget, and table it. We are ready for it next week.

My question relates to a very important matter which I hope the budget will address. In the 12 months ending last June there was a record outflow of capital from this country, four times the average level of outflow during the whole of the 1970s. This was not made up of major items. There was a number of items too small to identify, but in aggregate the outflow amounted to $8.4 billion. Because of the downward pressure this puts on the Canadian dollar, it obviously causes interest rates for hom owners, farmers and small-business men to increase. What steps is the minister proposing to take to reverse this outflow of capital so that we can help home owners who are so severely hurt by the interest rates this outflow causes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member referred to a statistic relating to the end of June. Since that time, in order to remove pressure from the Canadian currency and to reduce pressure on interest rates, I made an appeal to the banks of this country which, by and large, has been carried out and met, to stop providing large loans for the purpose of takeovers. That has had a very important effect.

• (1425)

The second development since the end of June which should have a very positive effect is the energy agreement entered into between the Government of Canada and the government of Alberta. Both of these have been quoted recently by the Governor of the Bank of Canada as very positive steps in carrying out the objectives mentioned by the hon. gentleman.

GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the answer of the minister was directed to the large outflows of capital. What I am referring to is all the very small outflows of capital, individual decisions made by people in this country who have totally lost confidence in their government's ability to manage the economy of the country. That amounted to $8.4 billion, five times the level of the seventies. Since the minister has addressed the matter of the specific direction to the banks, what other steps is he proposing to take? Does he propose to extend that policy of specific direction to individual investors regarding an outflow of capital?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, once again drawing attention to the date mentioned by the questioner, namely, the end of June, since August, when there was very strong down-

ward pressure on the Canadian currency, the currency has strengthened quite significantly. I believe that is attributable to the steps which I have taken. The hon. gentleman asks me about further steps. When the circumstances justify it, I will be making appropriate announcements to the House.

* * *

HOUSING

STATEMENT ATTRIBUTED TO MINISTER

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the minister responsible for housing. Since the House opened the minister has been attempting to downgrade the seriousness of the housing crisis in Canada. Just yesterday he said, with reference to one of the documents that came out of his own department which related the serious situation of both home owners and renters to the high interest rates, that it was something with which he did not agree. Further, he said:

It was a document prepared by a person employed in the information section of the corporation.

Will the minister confirm to the House that he has circulated a document to his cabinet colleagues, with his own signature at the bottom, which lays out in great detail the seriousness of the housing crisis? If so, why did he say, as reported in today's *Toronto Star,* that there is no housing crisis in Canada?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I believe the answer to the question by the Leader of the New Democratic Party is in his question. Yes, I have been busy since October when interest rates started approaching 20 per cent. I have been concerned. I have been meeting with a lot of people. I have been taking a lot of advice. I have given advice to the government, pointing out my concerns about this problem. However, at no moment will I accept the wildly exaggerated figure used by the hon. member of 85,000 people going to be forced out of their homes before Christmas of this year. I think that is wildly irresponsible on the part of the leader of that party.

FORECAST OF DROP IN HOUSING STARTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister once again refuses to answer the question. Just two hours ago I was given a 27-page document, with the minister's signature at the bottom. It contains virtually all the information that has been presented in the House since its opening. Specifically it states in this document—the minister can check the writing, and I am sure no one has forged his signature on the bottom—and I quote:

—starts will drop to an annual rate of around 135,000 for the remainder of the year—

That will be the lowest level in 15 years, and it will probably be 135,000 next year, which will mean that the record low in starts will continue. Furthermore, over the minister's signature it states that the rental situation will get so bad that "a black market could develop". Does the minister stand by these views? Is the situation that serious? If it is, why is the government not doing something about it now instead of waiting for a budget a few weeks from now?

• (1430)

Hon. Paul J. Cosgrove (Minister of Public Works): If I were to examine the document that the hon. member is referring to, I would probably find that it is the document I referred to earlier in this House as being a document prepared for cabinet for consideration in preparation of the budget. Therefore, Madam Speaker, I will not comment on the specifics of the document. But I would indicate to the hon. member that anyone who can read English and read French and can read half a dozen other languages of the media of this country, and has done so over the last two months, would know there are serious difficulties faced by the housing industry, by the renters, and by people who are facing mortgage rollovers. That is why I gave advice to the government in preparation for the budget.

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Edward Broadbent (Oshawa): I say to the minister there is nothing in this document that should be kept for secrecy purposes in preparation of a budget. Every member of Parliament should have access to this information.

I should like to ask the Minister of Finance, since the minister reponsible for housing has just conceded we have a crisis for renters, a crisis for home owners—

Mr. Cosgrove: I did not say that.

Mr. Broadbent: It says in the document that we have a situation where starts next year are going to be at the lowest level in 16 years. Since he has refused to bring in a budget we all want, why does the minister not bring in legislation in the next few days to deal with this serious economic situation?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I am as eager as my hon. friend is to give priority to economic questions.

Mr. Clark: Show us.

Mr. MacEachen: I believe it would be unwise to bring in any type of piecemeal legislation until the country sees the over-all budgetary situation, so the citizens of the country can judge the validity of the measures that will be proposed. I should like to add that in present circumstances, when so many citizens are concerned about the economy, the economic questions should get an up-front debate and an up-front exposure in a specific period when people are not being distracted by outside events.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. ADOLFO PEREZ ESQUIVEL, 1980 NOBEL PEACE PRIZE WINNER

Madam Speaker: I would like to draw the attention of the House to the presence in the gallery of Mr. Adolfo Perez Esquivel, of Argentina, a winner of the Nobel Peace Prize for 1980.

Some hon. Members: Hear, hear!

* * *

[*English*]

FARM CREDIT CORPORATION

INCREASE IN INTEREST RATES

Mr. Gordon Towers (Red Deer): We have made a suggestion to the Minister of Agriculture about how to provide financing for the agricultural community at reasonable interest rates. In the latter part of August the Minister of Agriculture made a commitment that he would provide money to farmers at 14 per cent through the Farm Credit Corporation. Did the Minister of Agriculture take our suggestion to cabinet? If farmers are to receive the benefit of money at 14 per cent through the Farm Credit Corporation, why, within four weeks of his promise, did he allow Farm Credit interest rates to go from 14 per cent to nearly 17 per cent?

Hon. E. F. Whelan (Minister of Agriculture): I do not know what the hon. member is referring to, Madam Speaker. Any minister in charge of interest rate programs would like to see the interest rate as low as possible. The Farm Credit Corporation uses the past six months average cost of money for their formula. This worked out to 16¾ per cent. It was automatically triggered. We had discussions about freezing it at 14 per cent. I do not remember—and I will check all the tapes again—in my many speeches where I mentioned 14 per cent. I believe the furthest I would have gone was to say I would do my utmost to see it stayed at 14 per cent. However, I have no recollection of making a firm commitment that it would stay at 14 per cent.

REPORTED STATEMENT ON MINISTER'S POSSIBLE RESIGNATION

Mr. Gordon Towers (Red Deer): To help the minister's memory, the commitment was made in an interview after he spoke to the Canadian National Exhibition last August.

The minister has further stated publicly he will either get money for farmers at 14 per cent or he will resign. Could the minister give us the time frame in which we can expect one or the other? Or does he intend to cop out?

Hon. E. F. Whelan (Minister of Agriculture): The hon. Member refers to an interview. I am sure the interview is on tape, Madam Speaker. I do not recall saying it the way he stated it. The last statement he made is as erroneous as the first statement he made.

FUNDING FOR CORPORATION

Mr. Murray Cardiff (Huron-Bruce): The Minister of Agriculture will be aware that the Minister of Finance told the House yesterday—and I quote:

> I am not so sure that a general infusion of funds into the Farm Credit Corporation is the answer to the special difficulties of certain groups of farmers in the country.

I should like the Minister of Agriculture to tell us what groups of farmers the Minister of Finance had in mind, and what groups of farmers the Farm Credit Corporation can help. At the same time, I would ask the minister to tell us how much money is left in the Farm Credit Corporation's budget for the fiscal year ending April, and how much of that money is available to farmers in Ontario.

Hon. E. F. Whelan (Minister of Agriculture): The hon. member would like a whole book in a short answer. If you were to allow me to recite a whole book, it would take the rest of the question period or else I could send him a written report. If the hon. member has an efficient researcher, I am sure he has been informed about the money available to the Farm Credit Corporation, because this is made public. He knows how much money there is in it. There is not enough money to take care of the farmers' indebtedness at the present time. He also knows from the press release we issued in regard to the interest rates for the Farm Credit Corporation that we will be bringing in amendments to the Farm Credit Corporation Act along the lines of what we spoke about earlier. The Minister of Finance concurred with this. In the same press release we said when the budget is brought in we will be taking care of those people in dire need, along the same line the Prime Minister mentioned. We never intended to look after everyone's financial interest through the Farm Credit Corporation, never in the history of this country—

Madam Speaker: Order, please.

RATIO OF FUNDS AVAILABLE FOR ONTARIO FARMERS

Mr. Murray Cardiff (Huron-Bruce): We would certainly support getting new legislation for the Farm Credit Corporation to help agriculture in this country. It is something that is lacking. The minister knows that.

Can the minister tell me how many Ontario farmers will benefit by the money left in the Ontario program part of farm credit? Or if he wants to take it in general terms, what proportion of the requests made in Ontario for farm credit can be met by the remaining amounts of money left in this province?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation could never take over all bank loans, demand notes and floating loans. We are hoping the banks accept their responsibility for the problems they created by the

loaning programs they initiated. We are hoping they fulfil their obligation to the rural communities in rural Canada and make amends for their improper way of loaning money. It is only a small percentage, Madam Speaker. This year the Farm Credit Corporation will lend approximately $500 million in rural Canada. This only covers the need of approximately 30 per cent of the requests by farmers for long-term loans. The banks should never have given demand notes, should never have given floating loans. The loans should have been long-term mortgages with fixed rates of interest. The hon. member knows as well as I do, Madam Speaker—

Madam Speaker: Order, please.

* * *

COMMUNICATIONS

REQUEST THAT NORTHERN MUNICIPALITIES BE ISSUED BROADCASTING LICENCES

Mr. Bruce Lonsdale (Timiskaming): My question is for the Minister of Communications. As the minister knows, this spring the CRTC ruled that the Canadian Satellite Communications Ltd. (CANCOM) would be allowed to distribute a package of Canadian radio and television signals to northern communities across the country. Subsequently many smaller northern and remote communities through their municipal councils applied to the CRTC to be terrestrial distributors. Now, however, the CRTC has ruled that municipal corporations may not be issued broadcasting licences because of chapter 377 of the Broadcasting Act which is an order directing the CRTC that municipal corporations are ineligible. Subsequent to that the CRTC wrote to these municipalities—

• (1440)

Some hon. Members: Order. Order.

Madam Speaker: Order, please. Would the hon. member proceed to his question?

Mr. Lonsdale: The CRTC told the municipalities the only way they would become eligible is if they provided community associations or committees—

Some hon. Members: Order. Order.

Madam Speaker: Order, please. I ask the hon. member to proceed immediately to his question, and I mean just that.

Mr. Lonsdale: Thank you, Madam Speaker. Would the minister advise the House if he is prepared to amend Section 3 of that direction and exempt municipal corporations, thereby allowing them to hold broadcasting licences and, if not, would the minister indicate what arm's length criteria would be acceptable, and what he considers to be effective control by municipal councils?

Mr. Crombie: Simply yes or no.

Hon. Francis Fox (Minister of Communications): Madam Speaker, I believe there is no need to change either the Broadcasting Act or the regulations. A number of small communities in northern Ontario or in other parts of the country have indeed been licensed, not through the municipal governments but through the municipal governments helping local groups set up community associations or non-profit broadcast societies. This method of proceeding is one which the communities the hon. member represents could explore. Of course my department would be more than willing to help them explore that avenue.

* * *

CORPORATE AFFAIRS

INQUIRY INTO PRICING PRACTICES OF OIL COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the current subject of the hearings involving the oil companies before the Restrictive Trade Practices Commission and the allegations that they forced Canadians to pay an extra $12 billion over a 15-year period in increased costs for gasoline and heating oil. Mr. Jake Howard who, like Mr. John Robinette, is one of the hordes of very competent and very expensive lawyers representing the oil companies, has said that he would delay the inquiry if the Bertrand report is put in as evidence. This practice has been going on for a long time. These are the same companies that have been blackmailing us on the megaprojects, these are the same companies that have led to overcharges—

Mr. Ouellet: Order, order!

Madam Speaker: Order, please. I guess on Wednesdays questions are somewhat longer than usual after caucus. May I have a short question, please?

Mr. Waddell: Madam Speaker, I just wanted to make sure the minister knew what the subject was. Will the minister tolerate the delays about which Mr. Howard and the other lawyers for the oil companies are talking? If not, what does he intend to do?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I believe that this question would be better addressed to the chairman of the commission. It is up to him to accept the evidence laid before the commission. As to tolerance or no tolerance, that is for the chairman of the commission to decide and not for the minister, who has no authority over the work of the commission at this time.

[*English*]

REQUEST THAT COMMISSION ISSUE INTERIM REPORT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, the minister's own lawyer, Gordon Henderson, said the following to the inquiry:

—not only did oil industry practices lead to ... overcharging ... but the "predatory" and restrictive practices still are in operation.

My supplementary question is directed to the same minister. The minister could take action, if he is prepared to do two things. First, he could ask for an interim report of this commission so that we will get going on this thing and it will not go on and on. Second, is he prepared to change the industry by instructing Petro-Canada to increase its refining capacity and supply more oil for independent oil companies that can supply people without these kinds of rip-offs?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, in reply to the first question, I have already been assured by this commission and its chairman that they would act promptly with regard to this file. As for the second question asked by the hon. member, the evidence submitted to the commission will call for a report by the commission followed by a series of recommendations. I am sure that my colleague, the Minister of Energy, Mines and Resources, myself, as well as the other Cabinet members will act on the basis of the recommendations included in the report of the commission.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE CARS

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. On June 4, 1981, the minister announced quite proudly that Japanese automakers had agreed to reduce voluntarily the number of their exports to Canada by 6 per cent. At that time the minister said that the growing number of automotive imports into Canada was contributing considerably toward the high unemployment level. In an answer to a question in the House at the same time the minister assured us that there would be a substantial increase in the Canadian content of offshore imports. Being the accommodating fellow I am, I should like to give the minister an opportunity to report on the progress he has made since then, with regard to both the voluntary Japanese restraint program and the additional Canadian content in offshore imports, as promised by the minister.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the arrangements the Japanese announced on June 4 cover the fiscal year from April 1, 1981, to April 1, 1982. They said they would restrain their exports to Canada in that period to some 174,000 units. At the time the arrangements were announced, exports for the period after April 1 to June were already under way, which was reflected in some increase in exports. I am happy to report that in August of this year there was a sharp drop in exports from Japan to some 11,000 units from the 19,000 level in the previous month. I look forward to this level being maintained for the balance of the fiscal year. If that is the case, the level the Japanese said they would maintain certainly would be achieved.

With respect to the achievement of greater Canadian content in imports, I want to confirm to the House that we have had a major achievement because of the agreement of the federal government to enter into a special duty remission program with Volkswagen Canada. They said that they would be establishing a plant which will hire some 500 people. They will be doubling the purchase of parts from independent Canadian manufacturers to some $150 million per year, with some 1,500 jobs. They will be maintaining a Canadian content level after 1983 of some 84 per cent, much higher than is the case required for existing Canadian manufacturers. I thank my friend for his constructive question.

REQUEST FOR MINISTERIAL UNDERTAKING

Mr. Otto Jelinek (Halton): Madam Speaker, I cannot believe the minister tried to answer that question with a straight face. He knows full well that since April 1 the number of Japanese automotive imports has increased to 90,893 vehicles, an increase of over 70 per cent. Even though that increase dropped somewhat in August, if this trend continues for one or two months they will never keep that promise. It is like the minister's industrial strategy. It has evaporated. His promise on the automotive industry has not materialized, and he is still here despite the high interest rates which are plaguing the country.

My supplementary question is directed to the same minister. Is he now prepared to be honest with Canadians, admit his failures in the auto industry, and at the same time revise his expectations regarding Japanese imports as well as Canadian content in Japanese automobiles and vehicles, as the minister promised, so that the industry can plan accordingly? Can the minister give us that undertaking now?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, certainly I do not accept the premise of the hon. member's question. We made efforts which were reflected in our arrangements with Chrysler, Ford, and other companies, as well as independent parts manufacturers that are moving toward the achievement of the objective of a stronger Canadian industry. Also we have begun to move toward our objective of greater Canadian content with respect to exports to Canada of companies not established here. The hon. member's premise is quite wrong. There is a lot more room and ground to cover. We are working actively to pursue and fulfil those objectives. I do not think my hon. friend is on the right track at all. In fact, from his questions he is right off

the road when it comes to knowing what he is talking about with regard to automobiles.

* * *

● (1450)

[*Translation*]

THE BUDGET

POSSIBILITY OF TABLING BUDGET BEFORE NOVEMBER 3

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Finance in view of the significance of his budget for Canadians, of which the minister is well aware. The minister has already told me that he would be able to table his budget before the end of October and he finally announced officially November 3 as the date of the budget. Can the minister tell the House today whether it would have been physically possible for him to table his budget before November 3 if it had not been for this conference?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I made it clear that once I had decided upon the date, or had indicated to the House the intention to proceed on November 3, preparations were put in place in the manner I described earlier in the question period. Therefore at this point it is not possible for me to advance that process, but at the same time, as I indicated earlier, if it turned out at the end of the week that the meeting on the Constitution is not to be held in Ottawa, as indicated in the Prime Minister's telex, I would proceed as normal on November 3.

* * *

[*Translation*]

THE ECONOMY

INQUIRY WHETHER GOVERNMENT GIVES PRIORITY TO ECONOMIC QUESTIONS

Hon. Roch La Salle (Joliette): Madam Speaker, earlier the minister asked my leader to invite the premiers to set another date for the first ministers' conference, which would have allowed him to bring down his budget on November 3. Since the minister is aware of the problems confronting thousands of Canadians, including farmers, renters and home owners—this bears repeating and I believe that the minister is well aware of the problem in Quebec since he can hear from his 74 colleagues from that province—could the minister at least tell us whether, in his own mind, the government gives priority to the economy or rather to the constitutional reform? It seems to me that the Canadian people would like to hear about economic measures. As far as the minister himself is concerned, does the economy have priority over the constitutional reform?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, my priority is certainly the economy.

Miss MacDonald: Oh, really!

Mr. MacEachen: For that reason I was rather surprised that the premiers of the provinces, knowing full well that the date had been established for a budget, had suggested that very week for a federal-provincial conference.

Some hon. Members: Oh, oh!

Mr. MacEachen: It seems to me that a lot of people in Canada, including myself, will be wondering what was the purpose of that obvious effort to downgrade the importance of the economy.

Miss MacDonald: So, the premiers are writing your budget, are they?

* * *

[*Translation*]

INDUSTRY

INQUIRY WHETHER FOOTWEAR IMPORTATION QUOTAS RECOMMENDED BY ANTI-DUMPING TRIBUNAL WILL BE MAINTAINED

Mr. Normand Lapointe (Beauce): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Keeping in mind the great many lay-offs in the footwear industry, particularly so in Quebec, and the ever growing share of the market cornered by imports, that is, already 58 per cent of the Canadian market, and this percentage having followed an upward trend especially since the devaluation of foreign currencies, can the minister tell the House whether he intends to maintain the import quotas as recommended in the report of the Anti-dumping Tribunal respecting the footwear industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my colleague has accurately described the problem of the footwear industry. We in cabinet take this problem very seriously. That is why we are very actively discussing our policy for that industry. We are fully aware of the fact that our current quota system will end December 1, and I want to assure my colleague and the House that within the next few weeks we will be in a position to clarify our policy. I hope it will be possible to set the footwear industry and its labour force well at ease.

[*English*]

AGRICULTURE

ESTABLISHMENT OF WESTERN GRAINS RESEARCH FOUNDATION

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is directed to the Minister of Agriculture. I understand that the minister met yesterday with representatives of farm organizations from western Canada who have formed a western grains research foundation. They will base its research, they hope, on the $9 million presently in the Prairie Farm Emergency Fund, plus a voluntary levy of one tenth of one per cent on grain sales. I wonder if the minister can tell me whether he supports the foundation's presentation and, if so, what steps he is taking to implement it.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I did not meet the group to which the hon. member refers. If it was here yesterday, I was in Saskatoon.

Mr. Hnatyshyn: Oh, God!

An hon. Member: Got a good welcome, too.

Mr. Whelan: I do not pretend to be God. The hon. member may think that I am.

Mr. Clark: You think you are.

Mr. Whelan: The hon. member used the terminology "Oh, God". I want to tell him that God was probably there and I was also there; however, so were many people from all across Canada, and when I finished my presentation in Saskatoon I received a standing ovation.

Some hon. Members: Hear, hear!

Mr. Whelan: They met with my officials. I have been in a meeting since eight o'clock this morning, and I have not yet had time to see the report from the officials.

AVAILABILITY OF FUNDS

Mr. Doug Neil (Moose Jaw): I would like to point out to the minister that the foundation is similar to a suggestion in my Bill C-245 to set up a research establishment. The minister is aware that the $9 million in the Prairie Farm Emergency Fund is not interest-bearing. At 15 per cent interest this means about $3,600 a day is lost to research. I wonder if the minister will give top priority to dealing with the foundation's presentation so that we can get along with the job of research in western agriculture.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member describes this fund in a manner which he knows does not operate like that at all. Any money which is held that way is held by the Receiver General. The hon. member is talking about interest rates which he knows do not exist; he makes a wide sweeping statement describing how much is lost, and he impresses a lot of people by that. However, he knows that he is as inaccurate as he could be. He knows that that money belongs to both the government and—

Some hon. Members: No, no!

Mr. Whelan: —was contributed to by the producers. He knows full well that if I could use that money, I would be using it tomorrow for research. I do not need to have anyone else tell me that research is important, and how they want to administer it. It will be used for research if and when we can take hold of the money and use it, as far as that goes. However, we look at the need for research in Canada and at the little contribution some are making. He knows that the producers in western Canada cannot decide among themselves how much of a contribution they should be making to research on a voluntary write-off, and this type of thing.

Mr. Andre: Could you repeat that?

Mr. Whelan: The hon. member knows fully well that he is making a mountain out of what is not even an ant hill.

* * *

ROYAL CANADIAN MOUNTED POLICE

EXERCISE OF SPECIAL POWERS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General, the minister responsible for ensuring that the RCMP obey the law in Canada. The Solicitor General has said that in his view the rule of law justifies a number of illegal activities which the McDonald Commission strongly urged be validated by legislation. He further indicated that he is continuing to authorize the RCMP to engage in activities which McDonald stated clearly violate the law.

In view of the fact that the McDonald Commission stated that tolerating any breaches of the law is merely the thin edge of the wedge, how can the Solicitor General defend his dangerous statements allowing the RCMP to decide which laws it is reasonably necessary to break, statements which clearly say that there is one law for the RCMP and another law for all other Canadians?

Some hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General): I could certainly never justify that policy in the manner the hon. member opposite has attributed to me. What I did say, and in which I am supported by the law officers of the Crown and by some outside law opinions, is that there are special powers which are available to the police which are not available to ordinary citizens in the course of law enforcement activities, when it is reasonably necessary for them to exercise those powers. I think Canadians are very pleased and satisfied with the level of effective law enforcement that we have in this country, and I do not propose to see that diminished.

Some hon. Members: Hear, hear!

Mr. Kaplan: The RCMP is complying, in its activities, with the rule of law. Therefore, to characterize its activities as illegal is totally unjustified. In fact McDonald himself did not say that they were unlawful; he said that they were not authorized by law, which is not the same thing as saying that they are unlawful.

• (1500)

CONSEQUENCE OF SUPREME COURT DECISION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, with that kind of contemptuous attitude the minister himself should be charged with aiding and abetting violations of the Criminal Code.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): My supplementary question to that co-conspirator is this: as a result of yesterday's Supreme Court of Canada's decision allowing the RCMP to breach the privacy of Canadians' confidential medical records, will the Solicitor General assure this House that under no circumstances will he allow the RCMP to request such confidential medical information from health care personnel in violation of laws, regulations, and possibly medical ethics?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I gather that my friend opposite is now calling the decisions of the Supreme Court of Canada unlawful.

I directed that appeal to the Supreme Court of Canada when we had the decision of the court of appeal because I felt it was necessary for the RCMP and all of the other police forces in Canada as well to have a privilege in their relationship with informers. The Supreme Court of Canada has upheld that privilege. To suggest those activities are unlawful after the Supreme Court of Canada itself found that they were lawful is, to my way of thinking, a very grave and political distortion of what happened at the Supreme Court of Canada.

* * *

[*Translation*]

HEALTH

MEASURES TO IMPROVE SANITARY CONDITIONS AMONG JAMES BAY CREE

Mr. René Gingras (Abitibi): Madam Speaker, my question is for the Minister of National Health and Welfare. Numerous representations were made last winter, and again this spring and summer, concerning health hazards in certain Cree villages at James Bay. I should like to know whether the minister has done anything to improve sanitary conditions on the James Bay coast?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I should like to say to the hon. member that, through its parliamentary committee, the House has been made aware that all summer long we did closely monitor the question of the health of the James Bay Cree Indians, in co-operation with the Department of Indian Affairs and Northern Development and following a joint meeting of our officials and the ministers involved, as well as the health conditions in each of the villages whose environmental conditions were critical, so as to ensure that the various parties involved were discharging their responsibilities. The fact remains that those parties have to be convened. In mid-May I wrote to the Quebec minister, Mr. Pierre-Marc Johnson, whose direct responsibility it is now, asking him to hold such a meeting. I wrote to him again because I still had not received a reply around mid-September and I wrote to him again on October 15, this time suggesting that we both have a meeting with the Cree, on the assumption of course that Quebec would accept that.

* * *

[*English*]

PETITIONS

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House the the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Tuesday, October 21, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. BROADBENT—OBLIGATION OF MINISTER TO TABLE DOCUMENT

Hon. Erik Nielsen (Yukon): Madam Speaker, I presume that today you are almost ready to rule on the point of order raised by the hon. member for Oshawa (Mr. Broadbent) the day before yesterday. Before making my submissions to you, which are submissions in an area quite different from those made by the hon. member for Oshawa, may I point out that in *Hansard* at page 11912 for October 19, the issue now before the Chair is listed under the heading "Privilege". There is no mention made of a point of order. Similarly, in the index there is no mention made of a point of order. That oversight is carried forward into yesterday's *Hansard*.

I suggest for future reference, when one wishes to have access to these jewels of wisdom coming from hon. members and from the Chair, that in order to made it easier, it might be well to suggest to the *Hansard* office that they do list a point of order raised as such. There were the two questions, as the Chair will recall. There was a distinct question of privilege and a distinct question of order. It is to the latter that I wish to speak today.

The key citation mentioned by the hon. member for Oshawa comes from Beauchesne's fifth edition, Citation 327(2), which reads:

It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

The hon. member for Oshawa rested his submission and argument on the interpretation of the word "cited" as meaning "quoted", or a document quoted from. I wish to carry the submission beyond that and refer the Chair to the same Citation 327, but to paragraph (5), where in effect Beauchesne sets forth the definition of the word "cite". It reads:

To be cited, a document must be quoted or specifically used to influence debate.

In my submission, citing a document means two different things. Either the document must be quoted from or it must be specifically used to influence debate. The admission that a document exists or the reading of the salutation or address of a letter does not constitute a citing.

My submissions to you, Madam Speaker, will be resting on the argument that the document itself has been used extensively for three days in a row now to support a certain position taken by the minister in debate and, on the other hand, to support a certain position taken by the hon. member for Oshawa.

This cannot be gainsaid. If one refers to page 11906 of *Hansard,* it will be seen that the minister did attempt "to influence debate", to use the words of Beauchesne. He did this by specifically using the document in an attempt to influence his side of the question, not only with the hon. member for Oshawa but with the Right Hon. Leader of the Opposition (Mr. Clark) and others on this side of the House. That appears in the right-hand column of *Hansard* for October 19, 1981, at page 11906 and again at 11907, where the minister went so far as to use certain figures in the document and deny the validity of other figures. The minister carried on with that yesterday in his attempt to influence the debate as to the validity or invalidity of the document.

At page 11970 of *Hansard* for October 20, the minister responded to a submission I made to the Chair. In part, the minister said:

I would say further that there is nothing in the report that was not in the newspapers yesterday.

He had other references in the edition of *Hansard* for October 20 which clearly can bring one to no other conclusion but that the minister was using the document to influence the position he was taking in the debate on the subject matter of the document, namely housing.

The key points under debate at the time were, may it please the Chair, first, that the minister referred twice to figures in the document; that was up to today. Today the minister made further reference to those figures. In addition, he referred to the cut-off in disposable income earmarked for housing. Very clearly those references are recorded in *Hansard.*

Point of Order—Mr. Broadbent

● (1510)

The second point I wish to submit to you, Madam Speaker, is that the House is placed in a position where there is a dispute between four members now, namely, the minister, the hon. member for Oshawa, the hon. member for Kingston and the Islands (Miss MacDonald) and the Leader of the Opposition (Mr. Clark). My submission to you is that the rest of the members of this place are placed in the position that they cannot participate in debate because the document is not before them. Certainly it is not before any members on this side, although the minister's generosity has apparently extended to at least one and probably more members on his own side of the House.

I would just draw your attention, Madam Speaker, to the fact that this situation places all other members in the position that we cannot participate in this debate to determine which side of the argument we may wish to come down on. We are prevented from doing it because the document is not before us. It is my submission that this is precisely the situation that the rule respecting the tabling of cited documents was intended to avoid. In saying "cited" I take the definition in paragraph (5) of Citation 327, namely, that the document was "specifically used to influence debate".

The minister has attacked the document to support his view of the housing crisis. The Leader of the Opposition and others on this side have put forward the document as supporting the point of view exactly to the contrary. Members cannot appreciate whether the minister's reflections are accurate unless they see the document and understand the context in which the figures were used and how much the argument was dependent upon them.

In summary, therefore, I submit to you there can be no doubt that the document exists. From the minister's own mouth it was prepared in his own department, he has read it now, and since having read it he has again used it to influence debate. If it is in the possession of the minister and some other members opposite, it is the focus of debate and the minister has cited parts of it in a bad light to make his own case to influence debate. Members cannot evaluate the document or intelligently participate in discussion of it unless it is tabled so as to give all members a look at it. That is the purpose of the rule, in my submission. The minister has used the document to influence debate. Therefore, that constitutes a citing of the document and I ask the Chair to find accordingly and require the tabling by the minister of the document which has been used these past three days.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after listening to my hon. colleague, I have the impression I have heard the same thing many times before in this House, and in fact it is not the first time the opposition party has invoked Citation 327(5) to claim that even if a minister had not purposely quoted part of a document, he had used it to influence debate.

Point of Order—Mr. Broadbent

I may point out, Madam Speaker, that the entire line of reasoning used by the member for Yukon is based on replies given by the minister in question on October 19, 1981, on pages 11906 and following of *Hansard*, that is, during question period.

I should like to start by saying that question period has never been considered as a debate and does not constitute a debate, and consequently, it is impossible to claim during question period that a minister is trying to influence debate, because there is no debate. So, if there is no debate, my hon. colleague's line of reasoning cannot stand. The fact that reference was made to a document cannot, during the oral question period, constitute an attempt to influence debate, since we are not involved in a debate. In fact, according to parliamentary practice and rules, there is no debate during the oral question period.

We must also consider the context of the replies given, and we have here a subsidiary argument put forward by the minister. Allow me to read part of the first question which was asked by the leader of the New Democratic Party (Mr. Broadbent). Madam Speaker, what we should remember is that the document in question was invoked at the very beginning by a member of the opposition, by the Leader of the New Democratic Party, who said in his question on page 11906, and I quote:

> Another report did emerge on the weekend from CMHC, this one contending that 135 families a day—

The *Toronto Star* has a copy of the report, and I have a copy of the report, and then the leader of the New Democratic Party asked his question. So the document in question was first used by a member of the opposition. It would be grossly unfair to prevent a minister from referring in his reply to the question that was directed to him. With due respect, the minister in question had absolutely no choice but to refer to the documents invoked by a member of the opposition. But referring does not constitute quoting, and because the document was invoked by a member of the opposition, the document was not referred to in an attempt to influence debate, because debate had not been sought by the minister. The document was invoked by a member of the opposition and, I repeat, the oral question period does not constitute a debate. Finally, Madam Speaker, parliamentary practice and the authorities are quite definite about this, Beauchesne's Citation 327(3) on page 116 is quite clear in this respect, and I feel this should be the basis for any decision in this type of argument, and I quote:

> A public document referred to but not cited or quoted by a minister need not be tabled.

This is a general principle which certainly applies here. Further on in Citation 327(4), the same principle prevails:

> Only the document cited need be tabled by a minister.

Here again, unless a quote has been taken from the document, there can be no obligation to table the document. And finally, section (5), and I quote:

> To be cited, a document must be quoted—

—which is not the case—

> —or specifically used to influence debate.

For reasons I have already mentioned, and I do not intend to go over them again, there was no attempt during the oral question period to influence debate on a document invoked by a member of the opposition.

Therefore, Madam Speaker, I submit that the point raised by the member for Yukon (Mr. Nielsen) has no basis at all, it has no basis in fact. We have a general principle that a minister is not obliged to table a document he has not quoted, and a minister cannot influence debate during the oral question period, because the oral question period is not a debate.

[*English*]

Mr. Nielsen: Madam Speaker, the hon. member has raised an additional point I did not touch on. In two sentences I will submit to you that whether or not the question period constitutes a debate has been decided by your predecessor and, I believe, by yourself as well. The decision is that it does, indeed, constitute a debate for the purpose of this citation.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would join briefly in the discussion you have before you. The question you have before you as to whether or not the minister in any way made reference directly to the document I think is quite clear.

Mr. Nielsen: He does not have to.

Mr. Deans: I am not suggesting he has to. I am suggesting, however, he did. Citation 327 of Beauchesne reads:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table.

I put to you that, as recorded at page 11906 of *Hansard* for October 19, 1981, in answer to a question from my leader, the minister said:

> I would ask the Clerk to return the report to him so thay he may reread the paper. I have, on two seconds reading, identified that they are talking about interest rates of 22 per cent.

● (1520)

The minister corrected, in his estimation, my leader's submission, pointing out that the document referred to a figure of 22 per cent.

I submit to you, Madam Speaker, that clearly was an effort by the minister to influence the course of the debate by quoting directly from a page in the document. On those grounds alone, without entering into any further argument, I suggest you could find only that the minister did in fact quote from the document.

I suppose the question before Your Honour now is, should the document be tabled. I submit that Beauchesne is clear, that where it has been reasonably decided that the minister did in fact quote from, or make direct reference to, a public document for the purpose of influencing a debate or, for that matter, influencing opinion in the House of Commons, the practice of tabling the document has generally been acquiesced. Rather than carry this on at great length, I would simply ask that the minister do what Beauchesne indicates most people in these circumstances have done in the past, and that is simply table the document.

Madam Speaker: The resolution of this question would flow out of the definition one would give to what "citing" or "quoting". I suggest that a common sense definition of that would be that the minister would have to read quite extensively from a document in order to call it a quote. If he is referring to a figure that is in a document, or to a sentence or word, especially when it is in answer to a question put to him by another member of the House and that document is subsequently sent over to the minister so he may glance at whatever is referred to, I would say it is very difficult for me to find that the minister was, at that time, quoting from the document.

The hon. member for Yukon (Mr. Nielsen), in quoting from Beauchesne, tried to pin his argument on the fact that Beauchesne does say that the document must be quoted in order to be tabled or specifically used to influence the debate.

I will not enter into the question whether question period is debate or not. Some Speakers have determined that sometimes it is debate. My interpretation is that it is not debate. I suggest that Beauchesne was not using the word "debate" in this particular sense when writing this paragraph.

I would also suggest that to be clear on what that paragraph means it should read that the document must be quoted "and" specifically used, rather than "or" specifically used to influence debate. The word "or" is a bit ambiguous. It means you could either quote from it or use it to further an argument, which I think did not happen in this particular case.

In support of my ruling, I would also refer hon. members to what actually happened. The hon. member for Hamilton Mountain (Mr. Deans) has quoted the Minister of Public Works (Mr. Cosgrove), when he returned the document to the hon. member for Oshawa (Mr. Broadbent), as having said that the member for Oshawa "may reread the paper". He did not say he had read it; he said the member for Oshawa may reread it, and I think we know that it was not read in the House.

The hon. member for Oshawa may have read it in his office but it was not quoted in the House. Then the member for Oshawa replied that the minister had not taken the trouble to read the document before returning it to him. So that was an admission made by the hon. member for Oshawa and it does support my position that nobody has quoted from or cited that document.

In this case the question which has to be resolved is whether the minister should be obligated to table that document. Since the rule applies to an obligation to table the document if a member has quoted from it, I must find that the minister may table the document if he so wishes; but I am in no position, according to our rules, to force him to do so.

* * *

PETITIONS

MR. WENMAN—REQUEST FOR CHANGE OF PARLIAMENTARY PROCEDURE REGARDING PETITIONS

Mr. Bill Wright (Calgary North): Madam Speaker, I rise under the provisions of Standing Order 67(8) and request that the petition of the member for Fraser Valley West (Mr. Wenman) regarding parliamentary procedure on petitions be read by the Clerk of the House.

Madam Speaker: Is there unanimous consent for that petition to be read by the Clerk of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Since the hon. member does not have the unanimous consent of the House, I cannot ask the Clerk to read the petition.

Mr. Wright: On a point of order, Madam Speaker. I rise under the same Standing Order and I quote from it as follows:

—or if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

I respectfully request that it be brought into discussion.

Madam Speaker: The hon. member needs unanimous consent for that also, or else an interpretation by me as to whether the matter dealt with in the petition would require an urgent debate.

I can deal with it immediately by asking if there is unanimous consent. I am in the hands of the House. I must tell the hon. member that this particular provision of the Standing Order from which he quoted cannot be used to require an urgent debate in the same way as the one provided for under Standing Order 26, under the guise of having a petition read and discussed immediately. However, I will put the question to the House. Does the House agree that the petition presented by the hon. member be immediately discussed? Is there unanimous consent?

An hon. Member: No.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, you will recall that last week the same request was made and we had the opportunity to explain why unanimous consent was refused. I find it strange that members should choose a day of government business to make such a request. Why did they not do that yesterday? Why did the

Conservative House leader not pick yesterday for this procedural debate instead of today? In my opinion, these are only dilatory tactics—

Madam Speaker: Order, please. Although the minister's complaint about this procedural point may be quite legitimate, the fact remains that a point of order has been raised. I repeat: is the House prepared to grant the hon. member's request? There must be unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: The hon. member does not have the unanimous consent of this House.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, on a point of order, I am not questioning any ruling which you have made but I fear we may be getting on to an undesirable track. With great respect, it may be the advice you are receiving, but there is nothing that I can find in the applicable Standing Order that requires unanimous consent. In my submission, paragraph (8) of that Standing Order gives the Chair a discretion.

Further, that discretion is placed in the hands of the Chair in order to protect the rights of members. With great respect, asking for unanimous consent is not an adequate protection of those rights because it is delegating that responsibility to government members who are going to say "no" to everything. If we get into taking this direction as a permanent part of our procedure, no petition will ever be discussed, even if in your discretion you might believe it necessary, because you will have established the precedent of requiring unanimous consent.

● (1530)

I submit that that question should be looked at very carefully. If the Chair chooses to exercise its discretion in the negative, that is fine, that has to be accepted; but I respectfully submit that asking for unanimous consent is not the correct way to proceed.

Madam Speaker: I believe I pointed out to the hon. member for Calgary North (Mr. Wright) that I could deal with it in two ways, either through my discretion or through asking for unanimous consent. It is not that the Standing Orders are specific on the matter of unanimous consent in the case of discussing a petition, but it is a device which is often used in the House because the House, of course, is master of its own destiny, and it is perhaps sometimes the better course to follow. However, prior to asking for unanimous consent I did tell the hon. member that if I were to use my discretion, I would feel that the matter is not urgent and does not require immediate debate.

I believe the petition calls for a change in the Standing Orders. The Standing Orders have existed for a long time. We have been ruled by them for a number of years. Therefore, if the hon. member would like to see some changes in the Standing Orders he is, of course, allowed to discuss and to ask for that. There are other ways of doing it, and certainly under petitions I could not allow a discussion of that matter on the basis of urgency. While I accept the point of the hon. member for Yukon (Mr. Nielsen), it was perhaps redundant then to proceed to ask whether the House would give its unanimous consent. However, I think it is quite clear that we cannot discuss it at this time.

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POINT OF ORDER

MR. WENMAN—REQUEST FOR REFERENCE OF PETITION TO COMMITTEE

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise on a point of order. I certainly agree that the Standing Order does not call for debate. Debate was not called for by the hon. member. He was not calling for debate but, rather, for discussion, as specifically defined and delineated in that particular Standing Order as being different from debate. However, at this point I would take Your Honour's advice.

Based on the precedent set by Mr. MacInnis and Mr. Speaker as recorded in *Hansard* for December 11 and December 18, 1970, and in order to address this grievance, I ask Your Honour if you would at this point refer the subject matter of this petition to the Standing Committee on Privileges and Elections.

Madam Speaker: That part of the Standing Order would require unanimous consent, and it also requires notice. However, I can ask the House if it will give its unanimous consent to referring that particular petition to a committee. Does the House give its unanimous consent to the suggestion of the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Wenman: If Your Honour had referred to the point of reference I suggested Your Honour study, the MacInnis and Mr. Speaker precedent, Your Honour would have seen that in that instance neither notice nor unanimous consent was asked for or involved. It was a decision directly by the House through Mr. Speaker to make the reference, and in that instance Mr. Speaker made that reference very directly.

Because of the complication of this matter, as a minimum I ask Your Honour to reserve on it until Your Honour has studied fully the matter and its implications. I refer not just to the implications mentioned by the House leader of the Conservative party but, indeed, to the full implications involved with a limitation of the rights of private members. I refer not only to the rights of private members but also to the rights of private Canadian citizens. Their last direct recourse to the House of Commons is through petition. That is the closest we

come to direct democracy in this House of Commons. We are removing that direct democracy more and more, and by setting the precedent Your Honour is setting today we are headed more and more in that direction, which I do not believe is desirable.

Speaking to that in more detail, if I may, I would also refer—

Madam Speaker: Order. I have just looked into the precedent to which the hon. member is referring, and in the case of that precedent the procedure was the same. Unanimous consent was not given in the House for the petition to be referred to a committee, but subsequently the House leaders met and agreed that it should be referred to a committee.

We have followed the procedure and I have ruled on it. We have followed the procedure as it should be; that is to say that the House has now refused its unanimous consent for that petition to be referred to a committee. If subsequently the House leaders want to get together and do something else about it, I am in the hands of the House, but for the time being I cannot allow the hon. member either to continue discussing the MacInnis case or the matter of having this petition referred to the committee because I have ruled on the question.

* * *

PRIVILEGE

MR. WENMAN—ALLEGED INFRINGEMENT OF RIGHTS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise on a question of privilege. Given the peculiar and unique nature of the petition referred to earlier, I ask that Your Honour now refer to Beauchesne 698(2), which states, and I quote:

> Petitions affecting the House will at once be taken into consideration in accordance with parliamentary usage in all cases of privilege.

The reason I have chosen this other passage is that I have tried all the other courses, and I now find that my rights as a private member are being inhibited. I am very concerned that the precedent Your Honour has just established infringes upon my rights as a private member and inhibits my capacity to act in a responsive and responsible manner on behalf of my constituency.

Madam Speaker: Order. Disagreeing or commenting on a ruling or some of the Standing Orders does not constitute a question of privilege, so the hon. member does not have a question of privilege. He refers to Citation 698 of Beauchesne. I have determined that this is not a case of urgency. It is quite clear we have followed the Standing Orders according to precedent and practice, and I would appreciate it if the hon. member would not continue to pursue this matter. The petition he has presented to the House may not be discussed or referred to a committee. We have decided on both those questions.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

TABLING OF 1979-80 ANNUAL REPORT OF CORRECTIONAL INVESTIGATOR

Mr. David Smith (Parliamenary Secretary to President of the Privy Council): Madam Speaker, on behalf of the Solicitor General (Mr. Kaplan) and pursuant to Standing Order 41(2), I should like to table, in both official languages, the annual report of the correctional investigator which covers the period June 1, 1979 to May 31, 1980.

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PETITIONS

MR. CLARK—EFFECTS OF HIGH INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as I have done on each day since this session began, I beg leave of the House to lay upon the Table a petition signed by Canadians from communities large and small who are concerned about the prospect of being forced out of their homes by the high mortgage interest rate policy followed deliberately by the Liberal government.

Today I would like to lay upon the Table a petition signed by 16 residents of Wasaga Beach, Ontario; 44 residents of Port Colborne, Ontario; and 24 residents of the community of St. Thomas, Ontario.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,855, 1,856, 2,034, 2,564, 2,571, 2,613, 2,681 and 2,704.

[*Text*]

MR. ANDREW CHATWOOD

Question No. 1,855—**Mr. Cossitt:**

Was Mr. Andrew Chatwood, former Liberal Member of Parliament for the constituency of Grand Falls-Labrador appointed to the Canada Pension Commission and, if so (a) on what date (b) what are his qualifications for this post (c) what is his salary to the nearest dollar?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Yes.

(a) November 27, 1980.

(b) Mr. Chatwood is a native of Newfoundland. He served with the Royal Canadian Navy Reserve for two years and held a number of positions in the retail and administrative areas until his election to the House of

Commons in 1966. Mr. Chatwood was a Member of Parliament representing the riding of Grand Falls-White Bay-Labrador, from September, 1966, to June, 1968, during which time he served on a number of committees, including the Standing Committee on Veterans Affairs. Between 1968 and 1973 he served as executive assistant to the Hon. Donald Jamieson, while he was Minister of Supply and Services, Transport, and Regional Economic Expansion. In 1973 Mr. Chatwood was vice-president, government relations, for the Newfoundland Refining Co. Ltd. Since 1976, until his appointment to the Canadian Pension Commission, he worked as a real estate broker, and in 1980 served as a director of the Ottawa Real Estate Board.

(c) The salary of members of the Canadian Pension Commission is in the range $33,600 to $41,500.

MR. GUS MACFARLANE

Question No. 1,856—**Mr. Cossitt:**

Was Mr. Gus MacFarlane, former Liberal Member of Parliament for Hamilton Mountain appointed to the War Veterans Allowance Board and, if so (a) on what date (b) what are his qualifications for this post (c) what is his salary to the nearest dollar?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Yes.

(a) November 3, 1980.

(b) Mr. MacFarlane, a graduate of McGill University, was coach and athletic director at Mount Allison University in Sackville, New Brunswick, and dean of men at McMaster University, Hamilton. Mr. MacFarlane served as a wireless air gunner in the RCAF during the Second World War. Between 1974 and 1979 Mr. MacFarlane was a Member of Parliament representing the Hamilton Mountain riding and served as chief government whip and Parliamentary Secretary to the Minister of State for Federal-Provincial Relations. He was a member of a number of committees, including the Standing Committee on Veterans Affairs.

(c) The salary of members of the War Veterans Allowance Board is in the range $33,600 to $41,500.

ALLEGED STATEMENTS OF COLONEL SPENCER

Question No. 2,034—**Mr. Cossitt:**

1. Was a Colonel Spencer, a military attaché in the Canadian Embassy in Prague, Czechoslovakia and, if so (a) from what date to what date (b) has he returned to Canada and has he been appointed Commanding Officer of the Canadian Armed Forces Base in London, Ontario?

2. Did Colonel Spencer make a public statement since his return to Canada in which he said in part, that his cook in Prague was paid in cigarettes and whisky rather than money for use on the black market and, if so, was this the policy of the government or strictly the responsibility of Colonel Spencer and is this done in other places abroad?

3. Did Colonel Spencer take into account the possible effect of this disclosure on his former cook when his statement was read by officials of the Czechoslovakian government?

4. Is Colonel Spencer's former cook still employed at the Embassy in Prague and (a) if so, in what capacity (b) if not, is the government aware of his whereabouts and well-being?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of External Affairs and National Defence as follows:

1. Yes.

(a) August, 1978 to August, 1980.

(b) Yes.

2. In an interview on November 8, 1980, Colonel Spencer was quoted correctly as saying in Czechoslovakia "there are several currencies and the most popular currencies are Scotch whisky and western cigarettes". As an example he cited the fact that when he hired occasional domestic help they expressed their preference to be paid in whisky and cigarettes. It is not Canadian government policy to use this method of payment at this or any other post.

3. Yes. His view was that the practice was so widespread and well known in Czechoslovakia that it would have no adverse effect on any former cook or helper.

4. Colonel Spencer's former cook is not employed and indeed never was employed at the Embassy in Prague (see part 2).

(a) Not applicable.

(b) Yes.

RE-EXAMINATION OF TAX RETURNS

Question No. 2,564—**Mr. Cossitt:**

Since the government was returned to office following the general election of February 18, 1980, and for three years prior to the general election of May 22, 1979, did the government re-examine taxation returns of Members of Parliament or companies in which they had a controlling interest and, if so (a) what was the number by province (b) what was the breakdown by political party (c) in each case, was it or is it government policy to take such a step with regard to Progressive Conservative and New Democratic Party members on the basis of vindictiveness or political considerations (d) for Liberal party members, was it or is it government policy to take such action as retribution for those who were considered not to be 100 per cent in favour of all party policies?

Hon. William Rompkey (Minister of National Revenue): The Department of National Revenue has not conducted a program of examining the tax returns of Members of Parliament as such. From time to time the returns of an individual, including one who is a Member of Parliament, may be examined in the ordinary course of events because of questions which arise in assessing or audit. No statistics are available which would make possible an answer to the questions raised.

SOGENER

Question No. 2,571—**Mr. Wilson:**

1. Did the SOGENER company act as an agent in the acquisition by Petro-Canada of Petrofina Canada Limited and, if so (a) what is the head office address and what are the telephone numbers (b) what was the date of incorporation (c) what were the details of capitalization, including paid-in equity capital, retained earnings and debt (d) what was the gross revenue and what were the net earnings in the latest fiscal year of the company?

2. (a) What are the names and addresses of (i) directors and officers (ii) shareholders owning 5 per cent or more of common shares (b) what is the number of employees in the company?

3. What are the principal business activities of the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. Société Générale pour l'Énergie was engaged by Petro-Canada to act as an intermediary in the Petrofina acquisition.

(a) Address, 16 Rue le Corbusier,
1208 Geneva, Switzerland.
Telephone number, 022 46 68 50

(b) – (d) Information proprietary to SOGENER.

2. (a) and (b) Information proprietary to SOGENER.

3. SOGENER is a "banque d'affaire" a merchant bank which specializes in investment and provision of financial and intermediary services primarily in energy resources or related fields.

CONDOR LITHO AND CARTON LTD.

Question No. 2,613—**Mr. Stewart:**

Did the Public Service Commission contract with Condor Litho & Carton Ltd., LaSalle, for games in the amount of $11,084 and, if so (a) what were the games (b) what number were printed (c) what was the cost per game (d) for what purpose will they be used (e) to whom will they be distributed?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Public Service Commission and the Department of Supply and Services as follows:

The Department of Supply and Services awarded a contract to Condor Litho & Carton Ltd., LaSalle, on behalf of the Public Service Commission, in the amount of $11,084.

(a) The title of the game is "La grande finale".

(b) 1,250.

(c) $8.87.

(d) The game "La grande finale" is a teaching tool designed for public servants on second language training.

(e) This game will be made available to teaching staff of the Public Service Commission and other departments for use in the classroom. (see (d) above).

INDIVIDUAL TAX RETURNS

Question No. 2,681—**Mr. Beatty:**

1. Under what circumstances may the Department of National Revenue make available to a third party personally-identifiable information relating to an individual's tax return without obtaining the prior consent of the individual in question?

2. Were any requests for personally-identifiable information concerning individual tax returns received in 1980 and 1981 and, if so (a) from which departments, agencies, individuals or organizations (b) in how many instances did the department accede to the request?

Hon. William Rompkey (Minister of National Revenue):

Order Paper Questions

1. Section 241 of the Income Tax Act prohibits communication of any return and its content, including personally-identifiable information, other than for the purpose of administration of this act or in response to a subpoena from a criminal court. In addition, Subsection 241(4) allows the provision of returns of their contents, under conditions prescribed in regulation 3000, to the provincial governments for which there is a federal-provincial tax collection agreement, for the purpose of administration of an act that imposes a tax similar to those imposed under the Income Tax Act. Identifiable information derived from income tax returns is provided to other federal agencies where there is entitlement through one or more other federal statutes. Such is the case, for example, with the Statistics Act which authorizes the furnishing of identifiable data to Statistics Canada. While providing entitlement, these statutes also provide sanctions against secondary disclosures. In addition, information exchanges exist with governments of other countries under reciprocal income tax treaties.

2. Requests for personally identifiable information, as extracted from income tax returns, were received during 1980 and 1981 from Statistics Canada, Health and Welfare Canada, Consumer and Corporate Affairs, Finance Canada, the Auditor General of Canada, and from all provinces and territories having tax collection agreements with the federal government. All requests were acceded to as legal entitlement was clear.

STANDISH BROS. LTD.

Question No. 2,704—**Mr. McKinnon:**

Was a contract let to Standish Brothers Limited at Cookshire, Quebec for $26,460, for chemical vegetation control spraying at CFB Chatham, New Brunswick and, if so, what is the chemical agent that will be used?

Hon. J.-J. Blais (Minister of Supply and Services):

A contract in the amount of $26,460 was awarded to Standish Brothers Limited, Cookshire, Quebec, on behalf of the Department of National Defence for chemical vegetation control spraying at the Canadian Forces Base in Chatham, New Brunswick.

The commercial mixture used, sold under the generic name of Killex, contains the following chemicals: Mecoprop acid; 2, 4-D acid (Amine formulation); and Dicamba acid. These chemicals are registered under No. 9811 of the Pest Control Products Act.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Canada Oil and Gas Act

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers stand?

Some hon. Members: Agreed.

● (1540)

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURES RESPECTING OIL AND GAS INTERESTS

The House resumed, from Monday, October 19, 1981, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 6 (Mr. Schellenberger) and 20 (Mr. Lalonde).

Madam Speaker: Before this debate commences, I would like to make a statement concerning all of the motions standing on the notice paper at the report stage in relation to the bill now before the House.

In order to expedite the business of the House in an orderly manner, it is my intention to include in today's statement my views which I gave to the House on July 13 last, as recorded at pages 11463 and 11464 of *Hansard*.

As hon. members are aware, I indicated last July that Motions Nos. 1 and 2 seek to import a preamble into a bill which was introduced in the House without a preamble. For the benefit of hon. members I had quoted Section (3) of Citation 779 from the fifth edition of Beauchesne and also referred to page 531 of Sir Erskine May's nineteenth edition. These sources indicate that the motions appear to be out of order; however, I am still prepared to hear arguments.

In relation to Motions Nos. 3 and 4, a recorded division has been deferred on each of these motions.

Motion No. 5 has been carried.

Motions Nos. 6 and 20 were grouped for debate and are now before the House. These motions will be voted on separately.

Motions Nos. 7, 8, 9, 10, 11, 12, 13, 15 and 16 will be grouped for debate, as I stated on July 13 last. However, since studying the remaining motions, it would be my intention to include with this grouping Motion No. 41 which deals essentially with the same matter. The motions will be voted as follows:

(a) The question on Motion No. 7 will be put to the House by itself.

(b) Motions Nos. 8, 9 and 10 seem to offer alternatives and will be put to the House as follows:

(i) The question will be put on Motion No. 8. An affirmative vote on this motion makes it unnecessary for the House to decide on Motions Nos. 9 and 10. However, a negative vote on the motion necessitates the question being put on Motion No. 9.

(ii) An affirmative vote on Motion No. 9 obviates the question having to be put on Motions Nos. 10, 11, 12 and 16. A negative vote on Motion No. 9 necessitates the question being put on Motion No. 10 and the vote on Motion No. 10 also disposes of Motions Nos. 11, 12 and 16.

(c) Separate questions will be put on motions Nos. 13, 15 and 41.

Motions Nos. 14, 17 and 18 will be debated and voted on separately.

Motions Nos. 19 and 24, standing in the name of the hon. member for Nunatsiaq (Mr. Ittinuar), seem to go beyond the scope of the bill and therefore do not appear to be in order. The hon. member may wish to present arguments on this point later. For the benefit of the hon. member, I refer him to Beauchesne, fifth edition, Section (1) of Citation 773.

Motion No. 20 has been grouped with Motion No. 6. Motions Nos. 21 and 22 should be grouped for debate, with a vote on Motion No. 21 disposing of Motion No. 22. Motions Nos. 23, 25, 26, 27, 28 and 29 will be debated and voted on separately.

In my statement of July 13, I indicated that Motion No. 30 would be debated and voted on separately. However, it is my intention to group this motion for debate with Motions Nos. 31, 32 and 33 and to be voted on as follows:

(a) The question will be put to the House separately on Motions Nos. 30 and 31.

(b) The question will be put to the House separately on Motion No. 32, and an affirmative vote on this motion disposes of Motion No. 33. However, a negative vote necessitates the question being put on Motion No. 33.

A recorded division was deferred on Motion No. 34.

Motion No. 35 standing in the name of the hon. member of Etobicoke Centre (Mr. Wilson) is consequential on Motion No. 36. However, Motion No. 36 causes some misgivings to the Chair. I refer the hon. member to Section 4 of Citation 773 in Beauchesne's fifth edition, which reads in part:

(a) An amendment is inadmissible if it refers to, or is not intelligible without, subsequent amendments or schedules, or if it is otherwise incomplete.

However, the hon. member will be given an opportunity when these motions are called to present his views.

Motion No. 37 standing in the name of the hon. member for Etobicoke Centre appears to be inconsistent with Subclause

49(13) of the bill. In this respect, I refer the hon. member to Beauchesne's fifth edition, Citation 773(2), and I quote:

An amendment must not be inconsistent with, or contradictory to, the bill, nor must it be inconsistent with a decision which the committee has given upon a former amendment.

For this reason Motion No. 37 appears to be out of order; however, I would be prepared to hear argument later.

Motions Nos. 38, 39 and 40 will be grouped for debate and voted on separately. Motion No. 41 has been grouped for debate with Motions Nos. 7, 8, 9, 10, 11, 12, 13, 15 and 16. Motion No. 42 will be debated and voted on separately.

Motions Nos. 43 and 50 were ruled out of order in my statement of July 13.

Motion No. 44 standing in the name of the hon. member for Etobicoke Centre appears to increase the jurisdiction of the National Energy Board and seems to go beyond the scope of the clause it seeks to amend. However, unless I hear otherwise, I propose to resolve my doubt in favour of the member who proposed the motion. This being the case, Motion No. 44 could be grouped with Motions Nos. 45, 46 and 47 for purpose of debate with a separate vote on each motion.

Motions Nos. 48 and 49 will be debated separately and voted on separately.

Motion No. 50 was ruled out of order.

Recorded divisions have been deferred on motions Nos. 51, 52 and 53.

In my statement of July 13, I had indicated to the hon. member for Skeena (Mr. Fulton) that Motion No. 54 sought to establish a compensation fund to be administered by a board and that this would entail the outlaying of public funds. To this end, I refer the hon. gentleman to Section (7) of Citation 773 in Beauchesne's fifth edition. On October 15, as recorded at pages 11825 to 11827 of *Hansard,* hon. members presented their arguments for and against this motion. As there is some doubt in the Chair's mind as to the procedural acceptability of the motion, it is my intention to resolve this doubt in favour of the mover of the motion and put the motion to the House for debate.

Motion No. 55 has been carried.

Recorded divisions on Motions Nos. 56 and 57 been deferred.

If hon. members wish to have a copy of this statement they may obtain a copy at the Table.

Mr. Waddell: I appreciate Your Honour's ruling. However, it is unclear in my mind as to when we will debate Motion No. 54.

Madam Speaker: When the time comes and other clauses have been debated. The debate will follow in the logical manner.

Mr. Waddell: The reason I ask is because we have just finished debating Motions Nos. 52 and 53, what I call environmental amendments. I take it we will not return to debate No. 54; we will wait until we get to No. 54 in sequence.

Madam Speaker: I think that is logical. Is the House ready for the question?

Mr. Waddell: What is the question? I am sorry, Madam Speaker, you asked if the House is ready for the question. I did not quite catch what the question was.

Madam Speaker: Is the House ready for the question?

Mr. Taylor: Madam Speaker, are you referring to Bill C-48? If so, the hon. member for Nunatsiaq (Mr. Ittinuar) had the floor when we last finished.

Mr. Nielsen: If there are no further speakers on this particular aspect of the debate, we are ready for the calling of the question and the hearing of the yeas and nays. It is my understanding that the vote is deferred on everything else.

Mr. Ittinuar: Excuse me, Madam Speaker. I have been thinking in Eskimo and not listening to the debate in English so I did not catch what was going on! I would like to speak to Motion No. 6.

Madam Speaker: The hon. member for Nunatsiaq (Mr. Ittinuar) has the floor.

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I too would like to speak to the motion put forth by the hon. member for Wetaskiwin (Mr. Schellenberger) since it deals directly with an issue which is of critical importance to northerners, particularly my constituents.

I first wish to quote from an article by Douglas Fisher which appeared in *The Toronto Sun* on Monday, May 11, 1981 in which he quoted former United States President James Monroe:

The hunter or savage state requires a greater extent of territory to sustain it than is compatible with the progress and just claims of civilized life . . . and must yield to it.

Might I suggest that Bill C-48 can be called the "Canadian Monroe". This was written in 1817. Therefore, I believe that Bill C-48 is an anachronism that is appropriate to the government across the way. In a general sense, this motion by the hon. member for Wetaskiwin tries to ensure that Bill C-48 will not prejudice the outcome of land claims negotiations which are currently going on between the Government of Canada and various native organizations across the north. The minister has repeatedly assured members of the standing committee of this House that Bill C-48 is neutral with regard to land claims in the north. He also said that passage of this bill will have no effect whatsoever on the outcome of these delicate negotiations.

However much I would like to, I am unable to accept that view and would like to give an explanation as to why. For the minister to say to us that land claims negotiations will not be jeopardized or affected by this bill indicates only too clearly that he lacks a precise understanding of what land claims are

all about. It is about time his understanding was improved, and I will be only too happy to assist.

● (1550)

First, let me talk about what land claims are not. Land claims are not a process whereby the aboriginal peoples of Canada give up all rights to their lands, especially those in the north, in exchange for some simple form of compensation which Bill C-48 does not even propose. This once-and-for-all type of approach worked for the government in the nineteenth century and, however much it would like to continue the practice today, the government must recognize the fact that it is no longer acceptable to the northern peoples.

There is a famous saying which says: "Those who do not learn from their mistakes are destined to repeat them". The people of the north are only too aware of the consequences of selling off their rights in the way that the government would prefer. They see how others in the south have been robbed of their own economic resource base, confined to reserves and left marginalized within their own home lands by accepting the government's approach to the making of treaties and the settling of claims.

The government is now inviting the native people to sit down and agree to the same types of settlements, in effect, to repeat the mistakes of the past; but all northern peoples say "no". They have a different vision of what land claims are all about. To them, comprehensive claims are the means by which their rights to the land and its resources will be recognized and entrenched. They are not approaching the government with the position that "everything must remain ours". On the contrary, they recognize that the resources that exist in their home lands are needed by their fellow Canadians and they are willing to share them.

But they do see land claims settlements as the vehicle which will ensure that the mistakes of the past will not be repeated. They seek to define, very clearly, their relationship with the larger society before development activities disrupt their communities irreparably—I emphasize that—and it is through land claims negotiations that they seek to accomplish this. They want to define, for instance, who owns the land, including surface and subsurface rights, and also how decisions will be made in the future regarding land use management, environmental protection and a variety of other crucial matters. In short, they want to define their economic and political rights for the future in such a way as to ensure that their needs continue to be met at least as much as those of southerners. They are not willing to become marginalized in their home lands, either economically or politically. They have made it very clear to the government that they are not simply out for a "quick buck", but want to reach settlements which will guarantee them a continual say over matters which so obviously affect them.

Over the last few years, organizations representing the peoples of the north have met with the government to discuss these matters on the assumption that they could be resolved through a process of negotiation. In fact, it was the government in its 1973 policy statement on native claims in Canada which recommended this process as the best way to achieve solutions. The native peoples have responded to this invitation in good faith and have produced, in a relatively short time, fairly sophisticated proposals which they feel would protect their interests and allow them to maintain their viability within the context of Canadian federalism.

I should like to note that in the next few months there will be a plebiscite in the Northwest Territories to determine the political evolution of the north, but this is opposed.

At the same time as it is pretending to negotiate a solution to these fundamental questions in the context of land claims, however, the government has brought forth Bill C-48. Bill C-48 stipulates that all revenues from oil and gas developments north of 60 are to go directly to the federal government, with the Minister of Energy, Mines and Resources (Mr. Lalonde) having a remarkable degree of discretion to decide on the nature, pace and location of all resource developments in the area, something no other minister has ever had. Through Bill C-48 the federal government is serving notice to everyone involved that it sees these northern resources as its property to control and benefit from as it sees fit.

Coming as it does, when the government is also negotiating the ownership of northern lands and resources with the northern peoples, the bill forces us to conclude that the government is speaking out of both sides of its mouth. If we liken the present situation to that of the ownership of a house which is in dispute, we can perhaps see more clearly the injustice of the government's actions and the extent to which they will affect the outcome of claims negotiations by the Dene, COPE, the ITC and others in the north. Take, for example, a house, the ownership of which is in dispute. Two parties say they have a claim to the ownership of the house and its contents, some of which are extremely valuable. Each side acknowledges that the other has a claim, and instead of going through the courts to find a solution, the two sides agree that the whole matter can best be resolved through a process of negotiation.

While these agreed-upon negotiations are taking place, however, one party suddenly announces that it is taking over all the valuable contents of the house with the intention of selling them. Legally, this party's right to dispose of property on which there is an outstanding claim by a third party would appear dubious. And morally, such actions would be reprehensible at best, and would call into serious question the party's stated desire to achieve a negotiated settlement.

This is what the federal government is doing with Bill C-48. It is giving the northern peoples two different messages: one, it is saying: "We accept the fact that you have a legitimate claim to the areas of the north in question"; and second, it is also declaring that the resources on those lands and the right to decide how and when they will be developed belong solely to the federal government. By bringing forth Bill C-48 at this time, the government has, therefore, succeeded in making a mockery of the negotiation process which it initiated in 1973 through one of its own policies.

The government responds to these types of charges by saying that it needs to consolidate its powers over oil and gas development in the north in order to manage them more effectively for the interests of northerners; that it needs to control the revenue from developments for the national interest, but that sufficient funds would always be returned to the north to ensure that residents there receive benefits. In other words, welfare. By this, the government is simply saying: "We will control everything relating to development in the north, but don't you northerners worry, we will continue to look after you". It is time that northerners, Mr. Speaker, native and non-native alike—and I represent them all—were allowed to look after themselves. It is time they were free of the kind of paternalism that Bill C-48 represents: It is time that they be allowed to have a say in the decisions which will affect them clearly. Bill C-48 succeeds in denying them all of these.

In response to the charge that Bill C-48 will undermine or prejudice the outcome of current land claims negotiations, the minister says that nothing could be further from the truth. He has stated time and time again, and with great assurance, that the provisions of the bill will not affect the substance of an eventual settlement in any way. He assures us that changes can always be made to this legislation in the future in order to accommodate the terms of any settlements. In other words, he is saying that, in spite of the terms of the current bill, everything still remains negotiable in the context of future claims negotiations, including presumably the question of the ownership of surface and subsurface resources. "Trust us", he has said to us many times. He is saying to the native peoples: "We will be willing to negotiate anything you want in the future, despite what Bill C-48 says."

While they would no doubt like to trust in the government's good intentions on this issue, the northern peoples are understandably reluctant to do so and for good reasons. They stem from the fact that, in the context of negotiations that have occurred to date, the federal government has been decidedly unwilling to negotiate the question of ownership of subsurface resources. In the only agreement that has been reached to date, that signed between the government and the Committee for Original People's Entitlement in the fall of 1978, it was clearly stipulated that northern peoples would not be allowed to select lands on which there were known oil or gas deposits. When the agreement was announced, the then minister of Indian affairs and northern development was quick to announce to other native groups that they could not expect a better deal than that which was struck with COPE.

● (1600)

Therefore, throughout the history of the negotiations the government has placed very strong limits on what it considers to be negotiable. It has said that the ownership of subsurface mineral rights is non-negotiable to all intents and purposes, and on the matters relating to political rights, these too have been effectively excluded from the process of negotiation. Despite the desire of northern peoples to discuss such matters in the context of land claims, federal negotiators have consistently been denied the mandate to do so.

This means that the government is misleading us and the northern peoples when it assures us that everything will be open to negotiation in the future. While such promises may be technically correct, past policies reveal the extent to which the government will actually negotiate. In the past it has refused to negotiate seriously on those matters which affect the economic rights of native peoples and on those matters which relate to their political rights. This represents the government's approach to land claims negotiations in the past and it represents the government's policy today. Yet, the minister would have us believe that everything will be negotiable later on, if only we will agree to their taking control of the resources now. I am unable to agree with this.

The present motion is a very interesting one although it is somewhat naive. It challenges the government on the very point I am addressing. If the government is sincere when it says that everything will remain negotiable for the purposes of land claims even after Bill C-48 is passed, then it should have no trouble supporting this particular motion. After all, it would only be an affirmation of the impression the government is earnestly trying to convey.

However, if the government is unwilling to support this motion, we will have no other choice but to question its future intentions. If it does not support the motion, we will have every reason to believe that its promises and assurances are hollow. Thus it will be a warning sign to all those who are looking toward land claims to provide a fair and equitable basis for participating in Canadian society—a warning that the government is not to be trusted.

It is my hope that the government will respond to this particular motion in a way as to allay any such conclusions. As I said, the motion is somewhat naive in that it was written by someone who had very good intentions and a good heart, but in the context of the current negotiations we could not agree with some parts of it. Generally I support the motion. Hopefully the government will do so, as it is the only motion which recognizes any justification for claims in relation to Bill C-48.

[*Translation*]

Hon. Serge Joyal (Minister of State): Mr. Speaker, I was listening very carefully to my colleague, the hon. member for Nunatsiaq (Mr. Ittinuar), especially since during the past year, as co-chairman of the Joint Committee of the Senate and the House of Commons on the Constitution, I was able to draw on his knowledge and experience of Canada's aboriginal peoples. His statements are always noted for their honesty and conviction, and the concerns he has expressed this afternoon cannot be dismissed lightly.

Monday evening I was listening while one of our hon. colleagues was asking a question—and I believe an answer is in order—in which he accused us, up to a point, of using Clause 34 of the constitutional resolution to confirm the rights of Canada's aboriginal peoples, and then turning around in Bill C-48 and ignoring completely any progressive measures we had taken previously in this respect.

I would like to read again Clause 34. I realize it represents the sum of concerted efforts by the hon. member for Nunatsiaq and several other members, especially my colleague, the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) and also, it must be said, of my colleague, the hon. member for Provencher (Mr. Epp), all of whom emphasized the objectives Canada should pursue in this respect during the discussions we had on the subject last winter. Clause 34 of the constitutional resoluton provides, and I quote:

The aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

I feel this is extremely important. This is the basis for any action Parliament must take with respect to Canada's aboriginal peoples.

After listening to the comments made Monday evening, I happened to glance through the proceedings of the committee, and I was pleased to see that at least eight amendments had been made at the committee stage, probably thanks to representations by the hon. member for Nunatsiaq, the result being in most cases to confirm existing rights, in other words, to recognize the rights of Canada's aboriginal peoples. In fact, Mr. Speaker, and I would like to point this out, a clause was added to the bill. I am referring to Clause 5(2) and (3) which in fact specifically acknowledges that nothing in the bill changes any provisions previously agreed upon with Canada's aboriginal peoples. I have here Subclause (7) of the same clause, and I quote:

Nothing in this act abrogates or derogates from any aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this act.

This means that all matters which are being negotiated, all claims already pending and any rights that could be used as the basis for future claims are not affected by this bill. That is basically what is meant by Clause 5(7), an amendment that, I wish to emphasize, was made at the committee stage.

What will happen to subsequent claims? I believe that is a special concern of my colleague for Nunatsiaq. What will happen to claims that may be submitted once the bill has been passed or the constitutional resolution has been adopted? The hon. member mentioned that we wanted to withdraw from claims negotiations any lands that might contain oil or gas resources at the production stage. I wish to point out—he quite rightly mentioned claims that were settled through an agreement with COPE and he did so in great detail—that eight blocks of land have been accepted through COPE, seven blocks of 600 square miles each and one block of 800 square miles. It is true that within these blocks there are no claims with respect to gas or oil resources at the production stage. However, my colleague should know that the Dene and the Métis have, in this connection, submitted claims with respect to a well which is about to enter the production stage and is known as Norman Wells, a name that is so well known I shall not bother to translate it into French. Therefore, it is incorrect to state that at this stage the government has refused to consider any possibility of negotiations that might concern wells or resources at the production stage or about to come into production.

• (1610)

When discussing the matter of claims to the lands in question, we must not forget the mechanism provided under Bill C-48 for future negotiations. Under the bill the governor in council may exclude from Crown lands any lands that may have been the subject of negotiations between the aboriginal peoples and the Canadian government. The Minister of Indian Affairs and Northern Development (Mr. Munro) is given the power to exclude from Crown territorial lands any lands that may have been the object of a settlement between the aboriginal peoples and the Crown. Should wells be in operation in these lands compensation would be paid as in the case of any other resource recognized as being in production on such land. Nothing in the bill excludes from negotiations any wells that might be in production at the time of settlement. Moreover, the Constitutional resolution provides an extremely sound legal basis for negotiations and for compensation payments, in view of permits which may have been granted in the meantime or are granted once the bill is passed, until a fair system of compensation has been arrived at.

In my opinion, the amendments made at the committee stage—there are eight, I repeat—provide the mechanisms required to compensate each and every one of the native peoples of Canada who might have valid claims, judicially acknowledged by the courts, or again acknowledged in common agreement by the representatives of the federal Crown, and to ensure that the necessary financial or suitable compensations be the object of an agreement between the parties.

I believe that my colleague from Nunatsiaq rests his case on past experience to say, and rightfully so, that he has every reason to believe that they cannot rely on the good faith of the parties. He is right when he states that the best protection available to any minority is judicial protection, that is to say the protection of the rights enshrined in a law, whether it be that of the constitutional bill or Subclause 5(7) which may guarantee the fundamental rights of minority groups. In the context of native peoples in Canada, we can be glad that that will be the basis of all negotiations and all settlements with which we will have to come to grips in the near future.

In my opinion, that fundamentally changes the relationship which may have existed before between those peoples and the federal Crown. From the moment when the rights of the native peoples are directly enshrined in the constitutional statute, it can be seen that the federal negotiators will definitely not have the same room to manœuvre. On the contrary, those peoples will have at their disposal the entire judicial arsenal to convince the authorities that the claims they may file are based on

aboriginal rights guaranteed as much by treaties, customs or conventions as by the wording of the act itself. And what is most fundamental, in my opinion, is that, and again I quote this part of Clause 34:

The aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

The rights confirmed by treaty are not the only ones to be mentioned. Mention is made of all the other rights stemming from customs, practices or else tacit acknowledgement. Therefore, nothing in this bill, especially under Subclause (7), restricts the claims which the aboriginal peoples of Canada have against the federal Crown with respect to those lands where, as of now, certain licences or certain permits may be issued. On the contrary, the bill gives to the minister responsible the discretion of forcing the companies and the business people that will henceforth develop those resources to take into account the cultural reality which is peculiar to those territories. The amendment related for instance to Subclause 10(2) and to Subclause 10(4) refers specifically to the participation of the aboriginal peoples, and I quote Subclause 10(2) (d), for it seems basic to me:

—equity participation by government and Canadians, including any aboriginal peoples of Canada who may be affected by the exploration agreement.

There was no mention in the previous legislation of the explicit participation of the aboriginal peoples of Canada in the equity of companies dealing with exploration of these resources. The bill now recognizes explicitly the absolute right of aboriginal peoples to equity in these companies. No provision of any previous legislation recognized this as explicitly. At the same time, Clause 10(4) deals with what are commonly known as affirmative action programs. Once again, nothing in any previous legislation provided for the possibility of including the aboriginal peoples for high technology and high responsibility employment. Once again, the minister responsible will be able to take action to ensure equitable participation, not only in equity, but also in the daily operation and management of these companies. It seems to me that enormous progress has been made.

Many groups have made representations to the minister, including the hon. member of the Christian hierarchy. As I pointed out earlier, these representations have resulted in specific amendments being made to the bill. I can assure the hon. member for Nunatsiaq that if I believed personally that this bill would jeopardize the explicit recognition of aboriginal rights to these lands and the resources they contain, if I had the least doubt that Subclause 7 of Clause 5 would reduce the rights of the native people to claim ownership of these resources, I would certainly not rise this afternoon to tell him that, as concerns what he and I are fighting for, that is to guarantee that the native peoples will from now on have an official share in Canadian resources. We are attempting today by a new initiative to reduce the possibility for them to have their claims settled by the courts since Clause 7 clearly shows that all our efforts since last fall are confirmed by this bill. It seems to me that the major progress accomplished in this bill is that from now on in any legislation which can affect the claims of aboriginal peoples, it will have to be recognized explicitly that no provision must affect or reduce in any way the rights of aboriginal peoples to claim their share of our resources. I repeat that Subclause 10(4) recognizes explicitly the full equity participation of aboriginal peoples.

Obviously, Mr. Speaker, we shall be faced with difficult situations in the years to come. When the parties involved negotiate settlements based on historically discriminatory situations and when we deal with peoples who have been able to develop their resources and put them to good use without jeopardizing them, it is quite obvious that there has to be some resentment and that we have to leave the past behind. However, I believe that the best way to meet this objective is to act on the basis of clear and explicit recognition of the rights of the aboriginal peoples, and I still believe that the best way to solve this problem is to pass as soon as possible the constitutional resolution, and especially Clause 34, which confirms the absolute right of the aboriginal people of Canada to everything that has been traditionally recognized by treaties and native rights.

[*English*]

Mr. Schellenberger: Will the hon. minister accept a question?

[*Translation*]

The Acting Speaker (Mr. Blaker): Would the hon. Minister of State accept a question?

Mr. Joyal: Certainly, Mr. Speaker.

[*English*]

Mr. Schellenberger: Mr. Speaker, the minister put great faith in the amendments to the Constitution as the basis upon which native people could feel satisfied that their rights to land and other rights would be affirmed; yet in that very Constitution, aboriginal rights are not defined. In fact, a specific section has been put in so that not only will the federal government and native people define aboriginal claims or rights, but also the provinces. We all know that provinces are very protective of such things as land resources. This is one of the reasons many of the aboriginal or native peoples of this country question whether, in fact, they have any protection as far as land and resources are concerned, and also why they question whether such an amendment as this should be placed in the bill in order to affirm that, in fact, they have some claim to land and resources in the north under this bill.

My question is whether the minister can confirm to this House that the definition will, in fact, include land and resources; and I know he cannot.

[*Translation*]

Mr. Joyal: Mr. Speaker, I appreciate the question put by the hon. member, because it is ultimately at the root of the

issue of native rights. It is fair to suggest that when we attempt to define native rights, we are faced with a major difficulty. This is why the wording of Section 34 is so vague. It is both vague and all encompassing.

Had we included in Clause 34 an enumeration of either a restrictive or indicative nature of the kind of rights that could be included or the kind of things those rights might have contained, we would have been faced with insuperable difficulties. Clearly, the provinces, as he rightly suggests, are most reluctant to enter into a discussion process where the contents of those rights would be specified. The hon. member for Provencher, who took part along with us in all those discussions, was the first to suggest that. Within the framework of the constitutional conference envisaged in Section 36, the hon. member realized this, and I quote Section 36(2):

—respecting constitutional matters that directly affect the aboriginal peoples of Canada, including the identification and definition of the rights of those peoples to be included in the Constitution of Canada.

Committee members unanimously recognized that had we gone into that process at this stage, we would never have seen the end of it, for the very good reason that those rights change. They take greater dimensions along the years. Current native land claims at this time are much more extensive than ten or 20 years ago. And it is better to have an over-all protection in principle stating the rights as a whole rather than to try, by way of an enumeration, even if it is indicative, to restrict the object of those rights. However, if I may answer more directly the question, native rights include both rights to the land and rights to the resources. When earlier settlements were reached with the COPE group, the hon. member for Nunatsiaq rightly suggested that the matter of resources already being explored were excluded.

But matters have changed since. I even mentioned to him that concerning the claims of the Dene and Métis, we were ready to consider, within the framework of over-all negotiations, the assessment and inclusion of resources already or close to being developed. Therefore, there is nothing in the matter of native claims that precludes claims on these lands or resources, whether surface or subsurface. The matter in my view must be examined in the over-all context of Section 34. In other words, what is involved here is the over-all rights, and those rights include social rights, property rights and other rights connected with the occupancy of the land.

Mr. Waddell: Mr. Speaker, I have a question for the new minister. May I put a question at this point?

● (1620)

[*English*]

The Acting Speaker (Mr. Blaker): I allowed the hon. member for Wetaskiwin (Mr. Schellenberger) to ask a question without the unanimous consent of the House because the minister's time had not expired, but it has now expired. Therefore, unanimous consent is required for the hon. member to ask his question. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Waddell: Mr. Speaker, may I express my pleasure that the hon. member has now become a minister. He is very young and progressive.

[*English*]

When the Constitution was being debated, the original draft was like this bill. It said nothing would prejudice aboriginal rights, and so on. It was determined by the native people, and ultimately by the committee, that it was not the best protection. The minister said that we should write the best protection in the law. We did this in Section 34. Is not that what the hon. member for Nunatsiaq (Mr. Ittinuar) was saying today? Would the minister agree that we are only at the first stage? We have only these rather innocuous clauses in the bill which say without prejudice, that later they can participate, and so on. But we have not gone to a second stage and put real protection in this bill.

Would the minister agree with my logic? Also, would the minister tell the House which way the government will vote on another rather innocuous motion, namely Motion No. 6? I take it the government will be voting for that.

[*Translation*]

Mr. Joyal: Mr. Speaker, although he is also quite young the hon. member knows how to be cutting. It is true that at the committee stage we altered Section 34 which had a rather negative approach to take a more affirmative approach, which is to say, there are some absolute rights and they must be respected and enforced. However, there is a basic difference between the constitutional resolution and an act of Parliament. And the hon. member knows quite well that when we want to exempt a previous statute from the application of legislation, the negative approach is taken.

In spite of all previous comments, this bill suggests, and the hon. member who is a lawyer is well aware of that exclusive clause, that Clause 57 does not exclude but recognizes the full application of the Constitution Act since it states that this legislation does not interfere with the titles, rights or claims of the native people of Canada, which they held before the coming into force of the legislation.

Consequently, what is stated under Clause 34 as being the absolute right of native people is not at all excluded from or denied in paragraph (7). Clause 7 says that if you thought that Bill C-48 encroached on the rights of the native people as recognized in previous legislation, that is Clause 34 of the Constitution Act, you are mistaken, because that legislation is fully enforced. This is the thrust of Clause 7 but in simple and everyday terms. Therefore, what the hon. member suggests is that Clause 7 of that legislation should recognize the full application of Clause 34 of the Constitution Act. It is in short

what he would suggest as an amendment or as an assertion of natives' rights. But the hon. member is aware also that at this stage, at least the debate on this aspect of Section 34 has been delayed and that there is no way we could refer directly to Section 34. But I find his idea extremely interesting, because when the time comes for us to deal with various bills, once Section 34 of the new Constitution has been adopted, we will be able to refer to Section 34 of the Canadian Constitution. The hon. member is right. At this stage, however, we cannot yet refer to it, as Section 34 has not yet been passed. And I fully agree with his objective. That is essentially the approach we had taken last winter during the committee meetings on the Constitution.

[*English*]

Mr. Ittinuar: Mr. Speaker, would the minister accept another question if the House gives me unanimous consent?

The Acting Speaker (Mr. Blaker): Is there unanimous consent for the hon. member to ask a question?

Some hon. Members: Agreed.

Mr. Ittinuar: Mr. Speaker, I must commend the new minister on his obvious knowledge, good intentions and concern for the welfare of my people. However, the minister said there was mention of equity participation for aboriginal peoples. When I approached the minister with that proposal, he readily agreed that there should be equity participation by aboriginal peoples on oil and gas development. As a result he agreed to a new clause. This is Clause 10(2)(d), which reads:

> Equity participation by government and Canadians, including any aboriginal peoples of Canada who may be affected by the exploration agreement.

However, the minister had refused to discuss with me any further expansion of that amendment to allow a mechanism for the participation of aboriginal peoples in equity, and just what kind of equity aboriginal peoples could take.

• (1630)

Therefore, I must conclude that this clause is hardly worth the paper it is written upon. The intentions behind it are good, but it has not been worded so as to grant real equity to the aboriginal peoples. Could the minister tell us just how he and his government propose to grant to the aboriginal peoples equity in these developments?

[*Translation*]

Mr. Joyal: Mr. Speaker, I am glad the hon. member for Nunatsiaq asked this question which, in fact, is in two parts. The first one concerns naturally the equity issue: What reasonable, acceptable and responsible share in the ownership of these resources should the aboriginal people hold? And the second one, which is a corollary: How are we going to determine what is fair and what is not? That is essentially the object of his question.

I indicated a while ago that, once Clause 34 of the constitutional act has been adopted, we will have to start new negotiations based on the new legislation. Therefore, all the claims which the aboriginal people may have on federal Crown lands will have to be based essentially on ancestral rights or treaties, and no longer on wide discussions concerning their legal basis. When the time comes to determine what is fair, we will have to decide within the global context of the claims which every group will want to bring to the negotiation table, what the Inuit propose, what the Dene and the Métis propose, what obviously COPE has already started to negotiate and what the CYI has proposed or intends to propose for debate. The share of equity to be attributed to each of the aboriginal peoples, with regard to the lands concerned will be based essentially on the rights recognized in Clause 34. If the conclusion is reached, through arbitration or judicial process, that their share of equity is to exceed that of the majority, the matter will be settled essentially through arbitration or judicial process. There will no longer be any paternalistic stand to be taken saying: the symbolic participation of our aboriginals must be saved, they must have some equity. The claims of the native people then will be based exclusively on their rights. Why? Because for the first time those rights will be recognized in our statutes. Therein will lie the difference in future negotiations. I can tell my hon. colleague that the negotiations in which we took part in the past easily took on a paternalistic hue, but will no longer do so because the rights of Canadians will be enshrined as those of an adult people full master of its destiny and fully able to determine through arbitration, judicial process or free negotiation what the respective share of each will be in the equity and development of those resources. That, to my mind, is the essential difference; this should reassure the hon. member with regard to the meaning of the word "equity" or "participation" will be given in the administration, the management of those resources.

[*English*]

Mr. Skelly: Mr. Speaker, I wonder if the minister might entertain one more short question. I think he has given us some fairly good insight into a problem we have been raising for some time. The dilemma we have been expressing over a period of time relates to the permission for oil and gas development to proceed under this legislation in which no specifics are written. This is largely a discretionary piece of legislation, with the power to make decisions affecting aboriginal people left in the hands of the minister. As my colleague, the hon. member for Nunatsiaq (Mr. Ittinuar), has said, the clause providing equity is not really worth very much. What we have to do is to expand and define some of these things.

We suspect that the oil and gas development in my area will proceed very rapidly. Some of the aboriginal people in those communities have not even reached the state of defining their claims. There is a group of them in Ottawa right now who have defined their claim and would like to have some response before the oil and gas development proceeds. Some claims have been made and others have not even been defined at this time, yet the oil and gas developments are proceeding.

Once this development proceeds, it will shape the communities. The infrastructure will already be in place and the patterns of production and exploration will be completed. What we have been trying to do is to get more definition in order to allow the pacing of development so the people in the region can participate meaningfully in the planning of activities and in the activities themselves. If this legislation goes ahead at the rate it is now proceeding, these people will be left out, and their land claims will not be recognized and they will have no benefit. I would like to hear some comment in that regard.

[*Translation*]

Mr. Joyal: Mr. Speaker, I thank you for affording me the opportunity to answer these questions because, as the hon. member mentioned, these are problems we will have to address in any future legislation dealing with or affecting the rights of native peoples, and I do not think it useless for my colleagues to become aware of the situation as are those hon. members who raised these issues.

The problem which my hon. colleague brings up is a very real one. What will happen with future claims which we cannot provide for just now or what happens with present claims which some native groups or peoples cannot make at this time. This is a very important issue since their rights are affected with regard to resource ownership and management as well as their very lives and environment as the hon. member mentioned. What must be recognized at this stage is that Clause 34 acknowledges and affirms their rights, and if it is shown in the settlement of claims over these lands that these people had strict ownership rights with regard to these resources, they are entitled to a generous compensation either of a financial nature, of which there are many examples, or through lands that could be made available to them in similar conditions. We cannot, at this point, provide for everything and some groups may indeed be in dire circumstances, but the important thing is that their rights are protected. They are protected because the ownership rights of these people over these resources are recognized.

When we say in Clause 34 that aboriginal rights are hereby confirmed, the basic right remains, regardless of whether these rights are confirmed now or will be in the future. There will be some form of compensation and it will be possible in the settlement of the claim to offer these people the same protection and access to the resources they would have had if they had made their claim in due time. Yet the hon. member must admit that it is impossible to provide for everything. Many of the native peoples who appeared before the committee could not define aboriginal rights. It is an evolutionary notion. Its contents increase rather than decrease. Its meaning and its implications increase in keeping with our knowledge of history, treaties and past practices. Therefore the implications of this recognition or rights will not lessen, they will extend, and will only place more responsibility on representatives of the Crown and on all corporations which may become involved in those areas. That is why I want to reassure the hon. member that this aspect and these implications are protected because the rights of those people will be upheld, and all claims that may be laid will be based on full and total ownership of these lands and resources.

• (1640)

[*English*]

The Acting Speaker (Mr. Blaker): Motions Nos. 6 and 20 were grouped for debate but are to be voted on separately. I will begin with Motion No. 6.

The question is on Motion No. 6 in the name of the hon. member for Wetaskiwin. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it. I declare the motion lost.

Motion No. 6 (Mr. Schellenberger) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 20 in the name of the Minister of Energy, Mines and Resources (Mr. Lalonde). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it. I declare the motion carried.

Motion No. 20 (Mr. Lalonde) agreed to.

The Acting Speaker (Mr. Blaker): Pursuant to Madam Speaker's ruling, which was read earlier today, Motions Nos. 7, 8, 9, 10, 11, 12, 13, 15 and 16 will be grouped for debate.

Motion No. 41 will be grouped with those I have just mentioned.

I will read the motions individually. I might alert hon. members to the fact that I will be looking for a mover and seconder in each case.

Mr. Harvie Andre (for Mr. Wilson) moved:

Motion No. 7

That Bill C-48, an act to regulate oil and gas interests in Canada Lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by striking out line 13 at page 7 and substituting the following therefor:

"10.(1) The minister may enter, subject to Section 56, into an".

Motion No. 8

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by adding immediately after line 33 at page 7 the following:

"(3) The minister, when entering into an exploration agreement shall impose terms and conditions which maximize the potential for Canada's medium and long-term security of oil and gas supply from domestic sources and which have due regard to the economic and financial viability of oil and gas enterprises."

Motion No. 9

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by striking out lines 34 to 37 at page 7 and lines 1 to 6 at page 8 and substituting the following therefor:

"(3) Every exploration agreement is subject to section 56 and to the terms and conditions set out in the schedule to this section.

SCHEDULE A
Terms and Conditions
Manpower and Procurement

1. In respect to the use of Canadian labour

(*a*) the interest holder shall submit to the minister, on or before a date to be fixed by him, a detailed manpower plan designed to ensure

(i) the maximum possible use of Canadian labour, and

(ii) the maximum possible use of labour indigenous to the region in which the exploration or production is to be undertaken; and

(*b*) subject to any amendment approved by the minister, the manpower plan referred to in paragraph (*a*) when approved by the minister, constitutes the interest holder's manpower plan, and the interest holder shall comply therewith.

2. In respect to Canadian participation and content,

(*a*) the interest holder shall design a program for the procurement of all goods and services that ensures that

(i) Canadians have a fair and competitive opportunity to participate in the supply of goods and services,

(ii) the level of Canadian content is maximized so far as practicable, with respect to the origin of products, services, and their constituent components,

(iii) maximum advantage is taken of opportunities provided by exploration and development on Canada lands to establish and expand suppliers in Canada that can make a long-term contribution to the Canadian industrial base, and

(iv) maximum advantage is taken of opportunities provided by exploration and development on Canada lands to foster research, development and technological activities in Canada;

(*b*) the interest holder shall submit to the minister, in such detail as may be required by the minister and on or before a date to be fixed by him, a report setting out

(i) the program referred to in paragraph (*a*), and

(ii) the procedures that the interest holder proposes to follow in order to implement that program including such procedures as the minister may require respecting prior approval in respect of proposed contracts or Clauses of contracts specified by the minister and including procedures to ensure to the minister's satisfaction that proposed contracts for the supply of goods or services from outside Canada will not involve unfair trade practices;

(*c*) subject to any amendment approved by the minister, the report referred to in paragraph (*b*) when approved by the minister, constitutes the interest holder's procurement policy and procedures and the interest holder shall comply therewith; and

(*d*) prior to the submission and approval of the report referred to in paragraph (*b*), the interest holder shall make no major purchases without prior approval of the minister.

3. The company shall provide the minister, prior to the execution thereof, with copies of every proposed contract for the procurement of goods or services that require the prior approval under the procedures referred to in condition 2(*b*)(ii)."

Mr. Ray Skelly (Comox-Powell River) moved:

Motion No. 10

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by striking out line 37 at page 7 and lines 1 to 6 at page 8 and substituting the following therefor:

"factory to the minister. This work plan will outline the major activities to be undertaken and the procurement program for goods and services related to these activities. The work plan will ensure that

(i) Canadians have a fair and competituve opportunity to participate in the supply of goods and services to oil and gas exploration, development and production activities;

(ii) maximum advantage is taken of opportunities provided by gas and oil exploration and production to establish and expand industries in Canada which can make a long term contribution to the Canadian industrial base;

(iii) Canadian and local content is maximized so far as practicable with respect to the origin of products, services and their constituent components;

(iv) Canadians be given employment preference in cases where suitably qualified Canadian citizens or landed immigrants are available. Where labour requirements are such that Canadian citizens or landed immigrants are not suitably qualified in sufficient numbers and the labour requirement is ongoing for the length of the agreement, the agreement holder will undertake to provide on-the-job training for Canadian citizens and landed immigrants in order to maximize as far as possible and reasonable, Canadian labour participation."

Motion No. 11

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by adding immediately after line 6 at page 8 the following:

"(3.1) In furtherance of the objectives described in 10(3) (amended) the holder of the exploration agreement shall

(i) open all contracts of a value of $50,000 or greater undertaken in carrying out the exploration agreement to public tender and submit, in reasonable numbers invitations to bid to Canadian suppliers;

(ii) provide to all bidders on contracts undertaken in carrying out the exploration agreement to same bid specifications and announce changes in bid specifications to all bidders at the same time;

(iii) evaluate the bids received in terms of the extent to which bidders use Canadian goods and services;

(iv) not establish specifications, time periods and delivery conditions for contracts which are designed to unnecessarily exclude Canadian companies."

Motion No. 12

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by adding immediately after line 6 at page 8 the following:

"(3.2) The minister shall establish an advisory body which shall be called the Canadian Content Committee. This body shall be made up of representatives from Canadian labour, from the major industries which will provide sourcing for offshore and northern exploration and production activities and from the oil and gas industries. The committee shall

(*a*) participate in the establishment of the regulations under C-48 prior to the issuance of any exploration agreements;

(*b*) review on an ongoing basis the information provided by agreement holders concerning Canadian content as stated in the work plan and in documents submitted to the committee as provided for in Clause 50(3) and make recommendations to the minister concerning all aspects of Canadian and foreign purchases and contracting by the holders of agreements or licences;

(*c*) make recommendations to the minister concerning the pace of exploration and or production in Canada Lands in order that investment decisions, development work and facilities construction in Canadian industries participating in this exploration and production be given due consideration. The committee shall have the authority to recommend to the minister that approval of exploration agreements and production licences be delayed in order that benefits accrue to the Canadian economy;

(*d*) make public its findings and recommendations on a regular basis by publishing these in the *Canada Gazette* and by any other means it deems appropriate."

Mr. Harvie Andre (for Mr. Wilson) moved:

Motion No. 13

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 10 by adding immediately after line 23 at page 8 the following:

"(6) Where the minister enters into an exploration agreement under this section, he shall first cause notice of such agreement to be published at least sixty days before the coming into force of such agreement, at the expense of the prospective agreement holder and such notice shall include a description of any requirements made pursuant to this section."

Motion No. 15

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 18 by adding immediately after line 41 at page 10 the following:

"(4) Every production licence is subject to section 56 and to the terms and conditions set out in the schedule to this section.

SCHEDULE TO SECTION 18
Terms and Conditions
Environmental Concerns

1. Prior to the granting of a production licence, an interest holder shall submit to the minister

(*a*) the results of studies in respect of social and economic matters, environmental and fisheries concerns as may be ordered or directed by the minister; and

(*b*) the recommendations of its environmental consultants for the protection of fisheries and the environment.

Manpower and Procurement

2. In respect to the use of Canadian labour

(*a*) the interest holder shall submit to the minister, on or before a date to be fixed by him a detailed manpower plan designed to ensure

(i) the maximum possible use of Canadian labour, and

(ii) the maximum possible use of labour indigenous to the region in which the exploration or production is to be undertaken; and

(*b*) subject to any amendment approved by the minister, the manpower plan referred to in paragraph (*a*) when approved by the minister, constitutes the interest holder's manpower plan, and the interest holder shall comply therewith.

3. In respect to Canadian participation and content,

(*a*) the interest holder shall design a program for the procurement of all goods and services that ensures that

(i) Canadians have a fair and competitive opportunity to participate in the supply of goods and services,

(ii) the level of Canadian content is maximized so far as practicable, with respect to the origin of products, services, and their constituent components,

(iii) maximum advantage is taken of opportunities provided by exploration and development on Canada Lands to establish and expand suppliers in Canada that can make a long term contribution to the Canadian industrial base, and

(iv) maximum advantage is taken of opportunities provided by exploration and development on Canada Lands to foster research, development and technological activities in Canada;

(*b*) the interest holder shall submit to the minister, in such detail as may be required by the minister and on or before a date to be fixed by him, a report setting out

(i) the program referred to in paragraph (*a*), and

(ii) the procedures that the interest holder proposes to follow in order to implement that program including such procedures as the minister may require respecting prior approval in respect of proposed contracts or classes of contracts specified by the minister and including procedures to ensure to the minister's satisfaction that proposed contracts for the supply of goods or services from outside Canada will not involve unfair trade practices;

(*c*) subject to any amendment approved by the minister, the report referred to in paragraph (*b*) when approved by the minister, constitutes the interest holder's procurement policy and procedures and the interest holder shall comply therewith; and

(*d*) prior to the submission and approval of the report referred to in paragraph (*b*), the interest holder shall make no major purchases without prior approval of the minister.

4. The company shall provide the minister, prior to the execution thereof, with copies of every proposed contract for the procurement of goods or services that require the prior approval under the procedures referred to in condition 3(*b*)(ii)."

Mr. Ray Skelly (Comox-Powell River) moved:

Motion No. 16

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 19 by striking out line 44 at page 10 and substituting the following therefor:

"unless the minister has ensured that the applicant has conformed to exploratory agreement requirements regarding the use of Canadian goods, services and labour as described in Clause 10 Subsection (3), (3.1) and (3.2) and will continue to operate in compliance with these requirements in exercising his rights under the production agreement and the minister is satisfied that the".

Motion No. 41

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 50 by adding immediately after line 4 at page 43 the following:

"(*g*) in respect of procurement of goods and services or other contracts entered into in furtherance of an exploratory agreement or production licence work plan on an ongoing basis throughout the term of the exploratory agreement in a form described in the regulations."

The Acting Speaker (Mr. Blaker): If I understand the will of the House, I will now recognize the hon. member for Calgary Centre.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, this is my first opportunity, in my new capacity as energy critic for my party, to participate in a substantial way to the second part of the report stage of Bill C-48. I will try to do my job as well as my predecessor did, although that will be a major challenge.

I cannot say that I welcome the opportunity to speak on this bill because, quite frankly, I hoped and believed that a responsible government would have withdrawn Bill C-48, given the developments of the past year. It is now a year since the National Energy Program was introduced. In my opinion, the NEP had more to do with a revenue grab, had more to do with

a power grab in the sense that this government desired to have a more direct day to day interventionist role with regard to the oil and gas industry, and perhaps other industries as well. Energy, per se, was merely the tool through which the government pursued the goal of having more power and more money.

Let us assume for a moment that the government in fact does believe and support the notion of Canada becoming self-sufficient in oil and gas. Let us assume the government really does want to develop Canada lands, the area north of 60, the offshore area, that it wants to develop the oil and gas potential of those areas. If that were true, surely a responsible and reasonable government would recognize that Bill C-48 needs to be substantially amended in order to achieve those goals.

It is abundantly clear there is no way under Bill C-48, which is that part of the NEP which deals with Canada lands, that we will become self-sufficient by 1990. That is not an opinion held exclusively by me or by my party. That is an opinion held by every outside expert organization that has examined the question.

The National Energy Board, an independent organization whose members were all appointed by the Liberal government—if they have a bias it would be Liberal, not Progressive Conservative, though I do not think they have a bias—after months of public hearings and extensive analysis by their in-house experts, has concluded that there is no way we will be self-sufficient by 1990, perhaps not until well into the next century.

The Economic Council of Canada has reached the same conclusion. As I say, every outside organization has come to this conclusion. Clearly, industry is not responding to the National Energy Program in the way predicted by the minister a year ago. The regime they have put in place is not producing the kind of development and activity necessary to become self-sufficient. What does that mean?

I would like to quote from a statement made by the Vice President of Exploration for Petro-Canada, Mr. Robert Meneley, at the committee hearings on Bill C-48 held last February 12. Mr. Meneley said:

> Bill C-48 by itself will not cause exploration and development to take place as it is only a component of the over-all system. The level of exploration and development activity will be dictated by how the oil industry uses the following equation:
>
> Prospects for finding oil and gas reserves
>
> minus
>
> The cost of finding, developing and operating productive areas
>
> minus
>
> The economic rent which is collected in total in the form of royalties, taxes, Crown share and minimum requirements for Canadian participation.
>
> If the industry view of that equation is that positive economic benefits flow to them at the end, then activity will take place.

Petro-Canada was supposedly established to give the government a window on the industry. Well, the window shows that the industry has to believe that the equation works out properly before it will make any investments and before the government gets the development it wants.

As I said at the beginning of my remarks, Mr. Speaker, I do not believe that that is what the government wants in the first place. I believe what the government wants is money and power. But let us assume that the government also desires self-sufficiency; it should accept the advice of its "window on the industry" and examine what is happening. According to all public statements by people in the industry, that is, the people who have to put up the cash, we know that the development the government supposedly hoped for simply will not occur under the NEP and under the part of Bill C-48 dealing with Canada lands.

● (1650)

In addition to having had the benefit of a year's examination of this by the industry, on September, 2 as a result of the energy pricing agreement between Alberta and the federal government, there was a very substantial change to the fiscal arrangements dealing with Canada lands. I am not talking about provincial lands here. The energy pricing agreement called for the phasing out of depletion with respect to Canada lands in order to put them on the same basis as provincial lands.

I put forward the following simple circumstance. If Bill C-48 contained the proper fiscal regime prior to the September 2 energy pricing arrangement, then clearly it cannot contain the proper fiscal regime today because there has been a substantive change. Depletion has been phased out. If the government was telling this House and the country when it introduced Bill C-48 that, in its judgment, Bill C-48 was the right and proper fiscal regime, the government must be lying to us now in saying it is still proper because there has been a material change in its own rules through the elimination of depletion allowances.

We have now had the benefit of a year's experience with PIP, the Petroleum Incentives Program. That was supposed to be the replacement for depletion on provincial lands and super-depletion on Canada lands. When PIP was announced last fall, a number of oil companies, particularly junior oil companies, came to the government and said, "We would like to take advantage of this program. When can we expect to receive these grants?" They were told they would receive them by about May of 1981. Some of those companies then went out and borrowed money at 20 per cent and 25 per cent in order to engage in the exploration which the government said it wanted them to carry out. They are still waiting for that money. The latest promise is "maybe next summer". A number of those companies will not be in existence next summer. They will be out of business. PIP turned out to be something the government could not administer in terms of provincial lands. The government was incapable of administering it. Indeed, there was a bit of hilarity when all the officials from Ottawa showed up to open the grants office in Calgary. They were frantically running around town trying to hire some consultants to tell

them how to figure out how to do it. As we know, as a result of the September 2 agreement that has now been transferred to the provinces—

Mr. Waddell: Alberta accepted.

Mr. Andre: The reality is that no banker today will accept as collateral the fact that a company might be getting a PIP grant in the future. The reality is that the banking community will not accept that as collateral because the banks have now had a year's experience with a government that does not deliver on its promises. The government promised the companies these PIP grants, but it has not delivered. Bankers now will not authorize loans to companies, even though those companies might qualify fully for those PIP grants, because they know from experience that those grants will not be provided.

The combination of all those factors has caused the industry collectively—the people Petro-Canada has acknowledged must be motivated if we are to have the development that is necessary—to say that we have to scrap it and start from scratch. Indeed, the Independent Petroleum Association of Canada, representing 200 member companies which are, in the majority, Canadian owned, sent the following telegram on October 13:

> On behalf of more than 200 members of the Independent Petroleum Association of Canada we urgently request you demand referral of Bill C-48 to Senate Committee on Banking, Trade and Commerce to permit study of economic impact not only on Canadian oil and gas industry but entire economy.

The telegram is from Robert Brawn, president of the Independent Petroleum Association of Canada. After a year's experience, the association is saying that the NEP and Bill C-48 do not work and need to be re-examined. The association says we should send the matter to a forum where another examination and another discussion can take place because, as things stand now, we will not achieve the goals the government says it wants to achieve. I repeat for the third time that I do not think the government was being honest about its real goals.

Besides the inadequacies of the fiscal regime Bill C-48 describes, the tremendous discretionary power granted to the minister and his officials is almost as serious a drawback. Clause 10, the proposed amendment of which we are now discussing, represents just two of 57 items which allow ministerial discretion. Under the best of circumstances, discretion represents a risk. In such circumstances, one might be dealing with an organization the credibility of which is beyond doubt, or with someone who has a history of keeping his word. Even in such circumstances, discretion represents a risk. Nobody likes to put forward great amounts of capital to make investments or to put at risk his company or his individual worth in a circumstance in which another person can exercise some discretionary power in such a way as to mitigate or undercut the value of that investment. This government has absolutely no credibility in the business or financial communities in this country because of its history of flip-flops, absolute falsehoods and distortions. The NEP itself was full of absolute and total falsehoods.

Mr. King: Deceit.

Mr. Andre: The proper word would be unparliamentary when dealing with that kind of government, a government the people know cannot be trusted to keep its word or its promises or even to honour its contracts. When the power of discretion is added to that, it represents a tremendous risk. Giving discretionary authority to that kind of government means taking a tremendous risk.

Clause 10 of Bill C-48 says that the minister may enter into an exploration agreement relating to Canada lands in the manner provided by this legislation. That is in Clause 10(1). This represents a different way of handling the allocation of Canada lands. It is different from the method used with respect to provincial lands and different from that used by other countries. As a result of many, many years of experience, the province of Alberta, for example, most of the states in the United States and most of the democratic countries of the world, have a system of land allocation which involves bidding. It is a closed bidding situation in which the government simply puts forward offers for bid purposes respecting certain lands. It may be a matter of access for exploration activities. Companies bid. The high bidder wins. It is a democratic and fair way of doing things, and it is open. Most of the time it is the most efficient way of doing things. However, this government says, "No, we will not do it that way. We will have a situation whereby we will have exploration agreements with individual companies". The government wants to make arrangements on a one to one basis with companies for exploration on particular lands. Instead of taking the democratic and time proven method of allocating lands, the government uses the bureaucratic, red tape, government interventionist method of handling things.

• (1700)

I should mention as an aside that while adopting this procedure, they still claim that they are implementing deregulation, that they are trying to cut red tape, and that they believe in the private sector and in competition. While making those claims, they bring in a law like this. They ask why we think they have no credibility. It is obvious.

One of the disturbing things about this method, as opposed to the traditional method of submitting closed bids with high bidder winning, is that in the agreements the minister works out with companies, there is no check on their behaviour. In fact, Clause 12 specifically states:

> The Minister may enter into an exploration agreement without a notice calling for the submission of proposals—

In other words, Clause 12 specifically states that if a particular oil company is a good company, because it may have given the minister's kids a job for the summer, or perhaps because his brother has many shares in it, or the president of the company happens to be the leader of the Liberal party in Alberta—who knows what the circumstances could be—the minister may favour that particular company under that clause or under Clause 10. Without any public notice, he can sit down and work out a cosy little exploration agreement with

the company, thereby turning over what could be millions or hundreds of millions worth of dollars to that company, with no check.

I remind hon. members that this would be done by a minister who, as has been proved to us in just the last few weeks, is not above using under-the-table methods to get the kind of assistance he thinks he needs to accomplish his goals. We are dealing with a minister who has a proven track record of not being above board in the way he handles things, yet we are being asked to pass legislation that would permit this kind of action.

As I say, Clause 10 states that the minister may enter into an exploration agreement. In Subclause (2) it states:

An exploration agreement may require the completion of specified work programs within specified periods, leading to and including the drilling of one or two wells within the term of the agreement,—

In other words, these exploration agreements will require the drilling of one or more wells. One wonders where to begin. One wonders who wrote that.

Exploration involves geology, geophysics, and only then is the well drilled. It is quite possible that a company may acquire a land position, engage in an extensive geophysical program that is running a seismic, and decide on the basis of the seismic that it is not worth drilling a well.

Drilling a well in Canada lands can cost anywhere from a few million to a hundred million dollars. As a result of running the seismic, an exploration company may decide that a well is unnecessary. The legislation we are about to pass says that an exploration agreement must include the drilling of one or more wells. This is an absurd notion. The agreement also includes the terms and the payments, disposition, reporting and disclosure of information, equity participation by Canadians, as well as the surrender, cancellation and transfer of interests under the agreement.

Suppose that a company signs an exploration agreement with the government. It may then find it is unable to complete the drilling of the wells called for in the agreement for any one of a wide number of reasons that could not be considered prior to the signing of the agreement.

The clause says also that the question of surrender will be part of the agreement. In other words, you cannot automatically surrender. If you decide to walk away from the property, you cannot do it automatically. It is something that has to be negotiated.

A circumstance might arise where the minister obliges you to drill a hole in the Arctic at the cost of who knows how many millions of dollars, something that you do not want to do and cannot afford under the circumstances. If you do not obey the minister, if you say you are not going to do it, you become subject to the provisions of Clause 57 which deals with offences and prosecutions. If you contravene or fail to comply with any provisions of the act, you can end up, on summary conviction, with a fine not exceeding $100,000 or imprisonment for up to a year, or both, or, on conviction on indictment, you might receive a fine not exceeding $1 million or imprisonment for a term not exceeding five years, or both.

What we are being asked to pass is language that says, "You will do what the minister tells you, and if you do not, you can go to jail for five years." That is literally what it says. You wonder what kind of Gestapo-minded person writes this stuff and asks us to pass it.

The other provisions in this bill deal with reporting and disclosure. You may be in violation of the securities commission regulations. You are in a dilemma if you are caught in that position.

What we are asking by way of Motion No. 7 is that the provisions of Clause 56 come into play. That clause simply says that when a minister makes a decision, he must give notice of that decision. The person affected by the decision may ask for a hearing before the minister. The minister may be asked to publish, indicating in writing his reasons for that decision. If there is argument, the matter may be taken to the Federal Court for adjudication.

That is all this motion asks for. It asks that we have the ability at least to prevent the kinds of potential abuse I talked about and to have an open decision-making process which will require the minister to state why he is making decisions, require him to listen to objections by way of a hearing, and allow the person affected to take the matter to the Federal Court, if he feels so inclined. That is hardly a terrible or unreasonable provision.

When this bill was in committee we received a large number of submissions from a wide variety of organizations. Almost every single group that appeared before us had comments and suggestions to make about Clause 10. I refer to Imperial Oil, Norcen, Aquitaine, Husky, Canadian COIA—I forget what that stands for—the Canadian Shipbuilders and Ship Repair Association, the Canadian Petroleum Association, the Norwegian government, Stat Oil of Norway, The Canadian Labour Congress, the Canadian Bar Association, Dome Oil, the Northwest Territories government, the Yukon government, the Inuit Association, the Independent Petroleum Association, and others. Every single group that appeared before us had criticisms, and had suggestions for improvement of Clause 10; some more severe than others. The government did not listen to any of them. The government made no change, even though it went to committee.

• (1710)

In Motion No. 7 before you today, we say that, in view of this widespread criticism it received from everyone who looked at it, and in view of the questions raised in the submissions from everyone who looked at it, a reasonable person would say this clause should come under the provisions of Clause 56. Clause 10 should come under the provisions of Clause 56 which would require the minister to state what are the reasons for his decision. It would require the minister to listen. It would require the minister to provide a hearing for those affected by his decision, and would allow them to take the matter to the Federal Court of Canada, if they felt so inclined.

I do not understand why this motion should not receive approval from the members opposite. Without the provision, you literally have a situation where the minister can say, "You shall drill this well; you shall complete this program." A company might find it impossible to do this because of certain circumstances. Perhaps the interest rates might go up again; perhaps the bankers might demand repayment of the loan; perhaps the company has a runaway well in some other area, which has caused a great drain on the capital; perhaps its vice-president has been assassinated. Any one of a million things could happen to cause a company to be unable to fulfil its obligations. In those circumstances, according to the bill before us, that company could be penalized enormously by the minister or, alternatively, sent to jail, according to the provisions of Clause 57. Perhaps a month ago one could have said, "Oh, well, maybe that is what the law says; but, in fact, by convention, by practice, by tradition, we never imposed those kinds of penalties".

We now know, Mr. Speaker, what the government thinks of convention, of practice, of tradition; the government thinks of it as absolutely nothing. It is the height of folly to put within the grasp of these Gestapo-minded people, the ability to, in fact, throw someone in jail for failing to obey an instruction. We now know the minister is not above using under-the-table methods if it suits his purposes. I will have more to say on other motions as they come up. Motion No. 7 cannot be viewed in any other way than as a reasonable motion, one that any fair-minded group of people would readily approve.

Mr. Ray Skelly (Comox-Powell River): I should like to speak in the debate in the fair and temperate manner of the hon. member preceding me.

Before I speak on the important amendment before us, I should like to cast my mind back to the committee hearings. Bill C-48 is interesting. As with previous budgets and other legislation the government tends to handle it in an interesting way. When Bill C-48 was brought in, it gave the Conservative Party apoplexy; it gave the oil industry apoplexy. It flashed a slight bit of hope for the Canadian people in that maybe there was going to be something in it on Canadianization. Maybe we were going to have a bit of compensation for the colossal rip-off that the oil companies have perpetrated on the Canadian people and the American people. Maybe now we will have a window on the industry and supervision of development that would capture the benefits of employment and opportunities for Canadians and for Canadian industries. It is a beautiful tactic. The bill looked all right on first reading, but it gave the Tories apoplexy; it gave the oil companies apoplexy; and it gave the United States government apoplexy.

We knew in time the Liberal government would deposit the bill in committee, and gut it. And gut it they did.

The Tories, with their apoplectic barnstorming in the House, giving themselves hernias, right, left and centre, screaming and tearing their hair out about this bill, arrived in committee with tears running from their eyes, with their noses running, hollering and yelling. But, by gosh, halfway into the bill, when the government's amendments appeared and the bill was gutted, they overrule the oil companies and say, "We can live with this." The Tories allowed it to slide out of committee, without fighting for key amendments, the ones that are in front of us now. After listening to the preceding member's speech, I find that the job of the energy critic of the Tory party is to be for the oil industry, and that is all.

Some hon. Members: Hear, hear!

Mr. Skelly: In the amendments before us again, the question is to capture industrial benefits for Canadians. We have bashed our heads on the wall to try to get this message through to the government. I believe they understand it, but they are reluctant to move. It is a question of capturing employment opportunities for people who live in the more remote areas of this country. Those people have acted as gofers to the banks under the Bank Act; those people have acted as gofers for the oil companies. It is an attitude that would make a dinosaur look progressive.

On the other hand, this particular organization has recognized the problems facing the Canadian people. And yet, because of the pressures that face them from the Americans and from other people, they are willing to put in broad, vague, discretionary provisions that will allow them, once again, to sell out the Canadian people. If you were to look at the history of economic development in his country, you would find that Canadians have been sold out. In essence, they are no better than this group here.

This bill, Mr. Speaker, is the most important piece of legislation to come before parliament in a long time. In this last reflection of the act, it is important that we include a specification to make a commitment to future generations and to those people who have been left out of the mainstream of development, such as natives and other Canadians.

The issue in the bill is to capture industrial benefits, to create employment, and basically to provide opportunities in areas of the country and for the Canadian industry where they have not heretofore existed.

The bill asks for guidelines. Our amendments ask for guidelines that may be enforced. We want advisory committees so that the exchange of information can flow from the government and the oil companies on what they intend to do to businesses and to labour in this country, those who have been left out and who will continue to be left out of the mainstream. The money will go offshore to Norway, it will go offshore to Britain, and it will go offshore to the United States.

I shall repeat this one more time to see if it penetrates. In 1976, 60,000 jobs were created by the oil industry in Scotland, 100,000 jobs were created in Britain as a whole, and 200,000 jobs were created in the United States. The message is very clear. If we do not include guidelines and specify what we want to capture of the law and regulations, we will not have those benefits. The money will go across to Britain and Norway, both of which countries are far more advanced than we are. We are already giving away a lot to the Japanese people even before we get started.

The appeal is clearly to do something. It is the last chance, the beating of the head on the wall. We must try to convince them. We in this party and the Conservatives proposed amendments to capture these benefits. The government did nothing about it. We said, "Never mind the amendments. Show us a structure in place of the good faith you talk about." Because of the GATT arrangements and because of the sensitivity on the part of the United States, we cannot do anything about that. There they sit on their bums, minds in neutral, doing nothing for days on end. They forced us to filibuster, to try to delay and, they said, give it adequate consideration. Eventually they said, "Yes, we in fact have something in place. As a matter of fact, we would be prepared to give you a peek at what we have in an in camera session." They did. They trooped in the Minister of Industry, Trade and Commerce (Mr. Gray), the forgotten old rebel of the hidebound party over there. They trooped in the Minister of Energy, Mines and Resources (Mr. Lalonde) with a bevy or a covey of bureaucrats. Essentially they trooped out a model similar to the British offshore supply office.

• (1720)

As far as megaprojects and their outward spin-off effects as well as the projects that will be affected by Bill C-48 are concerned, the Royal Bank estimates that they will cost over $1 trillion in two decades. This volume of expenditures staggers the imagination. Certainly it is beyond the very limited scope of comprehension of the hon. members opposite.

I should like to give an outline of what Britain did. Once Britain realized that it was very late and that it had lost an opportunity, it put in place an organization called the offshore supply office. Britain said that it wanted to sign a memorandum of understanding with the oil companies which would be of benefit to the British. It put in place a whole host of monitoring engineers. It forced the companies to report quarterly on acquisitions within Great Britain and where the other acquisitions had come from. A host of people analysed this information, reported back, updated their memoranda of agreement and generally began to acquire benefits. From there it developed liaison teams which would go out to British industry to explain where the oil companies were and what they needed. They would evaluate the industrial capability of British firms and try to bring the two together, so that British firms would be voting on the contracts and would get rolling. Also Britain put together a research and development component which studied the whole business. This component studied the academic community, the business community and oil and gas producers. They indicated the kinds of basic research they would have to undertake. Every year they would identify approximately 80 or 100 major projects which gave Britain—and indeed Norway in its model—a leading edge in the technology of oil and gas development.

Finally, let me point out that the pressure from Britain, Norway, United States, Japan, Taiwan, and other industrialized areas that want to participate in our oil and gas development, will be tremendous. They have the research and development. They have developed the technology. They will force it on us unless we do something. This was the role of the British offshore supply office. It was a major effort to capture a share of business opportunities and employment opportunities for the British people. They did. They reversed the trend years later, but at least they got it around to where they were in very good shape.

The minister trooped in this model. It looked good. He told us about an office of industrial and regional benefits. He said that they were making it out of an old organization already within the Department of Industry, Trade and Commere. When we dug around, we found that it was the original task force on Canadian participation struck by the Honourable Judd Buchanan. It consisted of four people who held 60 meetings with oil companies in a closet and never told anyone else in Canada. There was no direct input from Canadian business sources. There was no direct input from Canadian labour. No concrete information was received from sponsor companies on contract activities. There were 60 meetings in seven years, and absolutely nothing has resulted. There were four people on a part-time basis. This was the level of commitment of the Canadian government from 1975 to the present, roughly seven years.

Now the Minister of Industry, Trade and Commerce tells us that he is committed to capturing those benefits, and the Minister of Energy, Mines and Resources tells us that he also is committed, even though it is not in the legislation and there is no guarantee upon which Canadians can hang their hats. He showed us a structure similar to the British offshore supply office. We asked them to do this. He outlined how they will be responsible for evaluating exploration agreements conformity, and so on. There will be 12 people monitoring over $1 trillion in expenditures. They have put 12 people in place. This group is probably not capable in terms of resources. I am not talking about individuals. I am talking about a group with human and economic resources and the capability to evaluate the Canadian benefits, to develop agreements, to evaluate what is ongoing, such as research and development, marketing and the various functions of the British offshore supply office. They will not require quarterly reports. They will not require a group of monitoring engineers to determine whether they are complying with the act and whether Canadian businesses are given opportunities. They are not setting up a liaison with Canadian industries and labour in the regional areas to see what is happening. In fact, 12 people could not do it. That would be one person per province and two bureaucrats in Ottawa.

Basically this is the most colossal sellout of Canadians that I have ever seen in this place or in my experience as a person observing Canadian history. It is sad and disgusting. If there was one ounce of commitment over there, we would not be talking about 12 people monitoring an office of industrial and regional benefits. We would be talking about a major commitment, not a committee that reports to a director general lost somewhere down in the bowels of EMR. We would be talking about a committed organization with top level access and the ability to evaluate and move quickly. It is more than revolting.

Where are we today? Enormous expenditures are facing us in the oil and gas industry. There are tremendous numbers of people out there in Canada who do not have even basic information on how they will participate at a time when developments are coming on very quickly.

The previous speaker mentioned the oceans industry group. They came before the committee. They knew what they wanted and what they needed in terms of advisory committee status, input, and constructive relationships with the government and the oil industry in order to ensure that the people in the maritime industries in Canada can meaningfully take advantage of them. There is nothing here; 12 people could not even take an effective look at one of those industries. We have the Canadian shipbuilding and repair association. Granted, we have been forced into development in some areas, but we have not scratched the surface in terms of the benefits that organization envisioned. The hon. member responsible for that organization and for discussing its problems with Members of Parliament has beaten his head on the wall for years trying to talk to the government and to achieve some progress. We have talked about a merchant fleet for Canada, which is a long overdue idea. We have talked about the development of the Canadian shipbuilding industry and all allied trades. There will be hundreds of millions of dollars spent in that industry, but we have seen no commitment. There are no guidelines in the bill. There are no requirements in the bill to provide assistance. There is no ability within the office of industrial and regional benefits to capture that. We will rely on Dome and its Japanese partners to build the Canadian marine industry. It is tremendously unfortunate.

The Canadian Labour Congress came before the committee. It was very serious about the inadequacy of this legislation. In short, the only organizations which wound up happy with the gutting of the bill were the oil companies and the Conservative party.

Mr. Waddell: *C'est la même chose.*

Mr. Skelly: Yes, but unfortunately it is not acceptable to Canadians.

Mr. King: What about the government? Does it have any responses?

Mr. Skelly: Has the hon. member ever heard any given? I could go on and on with what I feel are colossal mistakes.

In the previous discussion with the Minister of State (Mr. Joyal) there was an attempt to establish a dialogue and an understanding of the problems faced by one group which definitely wanted to participate on an equal basis in the development and enhancement of the infrastructure. I think he grasps the problems and is willing, through discussion, to do something about it. I guess that is what we are asking the government to do. Here we have the last chance before us. The Minister of Industry, Trade and Commerce should come to this House. I noticed that none of the ministers responsible are present today. This is probably one of the most significant sections of the bill, yet none of them are present in the House.

• (1730)

It is important that we get a commitment. Either we should adopt some amendments or we should defer them so that if the government has a better mechanism—we are not married to the amendments which are before us tonight—it could draft one which will capture the benefits and give us some specification on it. The minister should rise in his place and say that the office of industrial and regional benefits is not a joke and that right now his commitment is perhaps to supply some more resources to it. However, the government does not know. There is no commitment beyond that. What we are hoping is that we will see an organization structured such as the British offshore supply office. If that is the mechanism the government would choose, I would urge the minister to rise in the House and give us an indication of what he is going to do, rather than wait for President Ronald Reagan to put pressure on the government, and having it in return sell us out completely, as it has done so many times in the past. Mark my words: the sellout appears to have begun.

We heard from across the aisle the other day that they can ease up because the Canadianization of that industry is not a serious threat and that it probably will not go much further. We saw an indication that they were clearly backing off on a badly needed review and on the upgrading of the Foreign Investment Review Act. Basically, the pressure is there and there is nothing to compel them to capture those benefits in Canada. There is no structure in place to assist them with it. When the pressure comes from other members in GATT and from the Reagan administration, which is already looking at sanctions against Canada, believe me, that government will follow its historic pattern and sell out the Canadian people, as it has done so many times in the past.

What should we do? Members in our party will be discussing this particular set of amendments. As our critic for industrial development in Canada said, it applies vitally in that area. We want to hear the minister rise and respond. Even the Conservative amendment is better than the clause as it appears in the bill. If our amendments are not acceptable, let the minister rise and tell us so; give us an example of one which would meet the objectives and would be acceptable to the government. If that is not the route to take, then let him show us something similar to the British offshore supply office, not a token effort which will repeat the inadequacies or incompetence of the last organization which sat there for seven years and did absolutely nothing.

I have some brief summary remarks to make concerning another aspect. For years, Canada has talked about an industrial strategy. I know the Minister of Industry, Trade and Commerce has been up front in suggesting that the government must come forward with some concrete planning in a very complex country. We have watched the oil companies and the banks clean up at the expense of Canadians, with the aid of government policy.

Basically, what we need is an industrial strategy, and believe me, this is the platform. This is the last opportunity that Canadians will have to launch easily a comprehensive industri-

al strategy which will not only improve the lot of our generation, but of generations to come. If we miss this opportunity, that is all we have. It will be very difficult to gain the kind of momentum that this particular activity, the offshore oil and gas development in Canadian lands, will give us. We will get into megaprojects eventually, but someone else will be building them for us. I guess it is highly unlikely, with the lack of initiative of this particular government, that we will ever seriously start harvesting the resources of the sea and the seabed; but, again, the opportunity to leap out from this piece of legislation by a proper handling of these amendments will be lost for all time if we do not move now.

For a long time the minister has advocated an industrial strategy. He said that he was going to resign if interest rates went higher. I wonder if he was indeed serious about it. Stacked against him on the other side of the cabinet appear to be people such as the President of the Treasury Board (Mr. Johnston) and the Senator. It is unfortunate that in this House we cannot question the individual responsible for the economic development and the over-all planning authority of Canada.

Mr. Waddell: We try.

Mr. Skelly: It is extremely unfortunate, but we have him. We have the Minister of Finance (Mr. MacEachen) and, indeed, the Prime Minister (Mr. Trudeau), committed to a policy which will not see intervention in the Canadian economy in order to undertake planning to develop our industrial strategy. I think the minister is lost; but if I am mistaken, I would certainly like to see him rise in his place and talk clearly to us about a set of amendments that will guarantee the capturing of those benefits, or at least a structure of more than 12 people which will give us some assurance that we are going to have those benefits. The cabinet is split down the middle, with all the power stacked against the Canadian people. Believe me, I do not think that we are going to see the benefits spin off to this or to future generations of Canadians.

The impediments are that there are no guidelines or requirements. We are asked to look at Liberal good faith. The hon. member who spoke previously had at least correctly analysed the value of Liberal good faith: "Trust me. It is in the mail." The government is unwilling to take political risks.

I cast my mind back. There are other components to the industrial strategy, and I think we are watching the Minister of Consumer and Corporate Affairs (Mr. Ouellet) sell out the competition policy in Canada. He has watched the banks rip us off, he has watched the newspaper industry rip us off, and he has now watched the development of a very strong piece of competition legislation, which would perhaps curtail the concentration of economic power in the hands of a few people in this country. The Minister of Consumer and Corporate Affairs goes out to meetings of chambers of commerce in Montreal and Alberta, gutting the competition policy of this country. The competition policy is as vital to an industrial strategy as the over-all plan or the specific set of plans which should be developed. Therefore, the government over there is unwilling to take political risks on behalf of the Canadian people. Frankly, it is disgusting.

Concerning bureaucrats, I suspect that half the problem with the government over there is that it is locked in. It has been there too long, it has become fossilized. The bureaucratic conservatists in the civil service provide it with advice. It has fought other battles before and it is not prepared to inject new blood and to give the new blood over there some power, those people who have their heads turned toward the coming end of the twentieth century. I think the hon. member, as evidenced by his outburst, is probably one of those who might be given a chance sometime. I have noticed some progressive ideas coming from him occasionally.

An hon. Member: Thanks Ray.

Mr. Skelly: Well, we will see. Again, there are token efforts. There is an unwillingness to take political risks. The Foreign Investment Review Act seems to be a way of injecting foreign investment in Canada. There was great hope that that organization would protect us from foreign industries and allow Canadians more ownership and more Canadian participation. In fact, it has just become a clearing house for foreign investment in Canada.

PetroCan was created, I guess, back in the old '72-74 government. The concept eventually developed, and then was allowed to spin its wheels for years and years. Now, when our backs are more than against the wall, PetroCan blossoms out, and the government is taking some serious industry and putting a window in the industry; and a big window it is. However, for years unwilling to take the political risks until the oil company had ripped us from stem to stern, the government is willing to move now when it is too late. We are past the eleventh hour.

There are some serious questions concerning Canadianization and accountability. If we are looking for an industrial strategy and if we are looking to capture industrial benefits from the modern day CPR, Dome Petroleum and some of the other Canadian ownerships, certainly it is a worthy goal; but undoubtedly, what must come beforehand is a clear expression of policy that we do not want those corporations taking employment and industrial benefits offshore. We want them committed to a policy of developing those benefits within Canada. That policy is not clear. It is absolutely imperative that the government come out with a clear statement that the industrial benefits are the responsibility of those Canadian companies.

● (1740)

A great many of my colleagues are vitally concerned about representing their constituents. Members of Parliament from British Columbia especially are watching the collapse of the forest and fishing industry and many of the other basic resources that are tied heavily to the 90 per cent figure in the United States market. They have serious concerns about the manufacturing industries and about the fact that the opportunity for continuous development and stability is not appearing.

Members will want to speak on that. They will want to hear the Minister of Industry, Trade and Commerce make a commitment that the offshore supply office will not be a sellout or a token effort. They will want to hear that amendments are possible to this legislation to improve its strength, even if it is at the eleventh hour.

I think I have made my point, and I hope before this drags on forever that the Minister of Industry, Trade and Commerce will come into this House and lay out a clearly planned structure. Alternatively, I hope that amendments will be made requiring the government to ensure this country captures the industrial benefits, and creating the employment that is possible. I hope that attention will be paid to regional development, and that participation in equity and benefits will be accorded to the aboriginal peoples.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, at the outset I think I can say that I agree with the previous speaker from British Columbia that Bill C-48 is one of the most important economic bills that has been before this House for a long time because it deals with one of the trump cards in Canada's resources.

It is very easy to use the expression "Canada lands" liberally, but to the extent of what we are talking about, it is beyond the comprehension of most of us. It is not only oil and gas we are debating in this bill but the theory of how the people of Canada who own this resource economically preserve the maximum amount of return from that which belongs to them.

Almost 25 years ago, I made my estimate of the value of the oil and gas in that area. In these ensuing 25-odd years, I have not changed my judgment one bit. We will see out of these Canada lands a minimum of 100 billion barrels of oil but, even more important, probably about 600 trillion cubic feet of gas. Those figures are meaningless unless you put a dollar value on them. If my estimate is correct, the dollar value would be in the range, although I think it will be exceeded, of the $8,000 billion to $10,000 billion that we are seeking in this legislation. Forgetting all about politics and everything else, but in the interests of Canadians of the present and the future particularly, I agree with the previous speaker that it is our duty to ensure that this one great trump card, which has been in people's minds for 40 or 50 years, should not be wasted by poor drafting of the legislation dealing with it.

This particular amendment moved by the Conservatives is a simple one. Clause 10 gives a very dangerous precedent in that it allows negotiated agreements by the minister with any oil company that he chooses, but although a dangerous precedent, it is fine in principle. But the dangers in it are so real that the Conservative amendment simply says that when the decision is made, it be allowed to come up for review under another clause, Clause 56 in the bill. Regardless of the instructions the government whips have given to their members concerning this motion, surely just because the amendment was moved by the official opposition is not grounds for turning it down. We are not talking here about partisan politics. What we are talking about is a large chunk of the future of Canada, not only the finding of oil and gas, the development and the sale of it, or the great energy supply it gives us for the next 100 years, but all the industrial spin-offs that will continue long after the oil and gas is gone. I hope this moderate amendment will be accepted, stating that when this complete power of negotiation is given to a minister, the act would require the provision to be reviewed, as a means of preventing a mistake from being made.

The part I want to emphasize gives me no pleasure. I do not think I will be disbelieved when I say, with regard to this business of oil and gas economics and administration, that, going back into the 1930s and particularly since the war, I have worked with great interest and I tried during my day to bring in regulations that would protect the Canadian people and optimize the development of our various resources.

I had to undertake, in complete opposition to outside oil companies and Canadian companies, a series of regulations which were radical then but are now accepted by Norway, Venezuela and the United Kingdom as being legitimate and modern. But in these 1961 regulations we had these radical new provisions that worked on the basis of equity between the owner of the resource, the people, and the companies who were the partners. They had to get enough to pay their costs and give them a competitive return on money they invested. Because we accepted them as partners and accepted the minimum requirements of meeting that return on capital which they had to make, we were able to get agreement. Those regulations were put in abeyance on the change of government in 1963. It was not until 1976 when a minister in the Liberal party brought in the 1976 regulations which were based on the same philosophy as the 1961 regulations. We on this side were able to support that minister. Some hon. members will remember that it was Mr. Buchanan. I congratulated him after that long period of ten wasted years on bringing in the regulations that allowed the Canadian public to be protected and allowed the Canadianization program to proceed on an economic basis. It also protected the government and the companies from charges of improper actions.

This is where this bill has gone wrong. This bill has turned back the philosophy of oil regulations in the world some 50 years. We have gone back to the concept of grabbing as much as we can of the resource in the early stages. Because we are grabbing so much, we are putting the companies which are trying to develop the resource into a negative cash flow position in the early years of development. This means in practice that we put the whole oil and gas reserves of the future into the hands of the big international oil companies, because the smaller companies, which only have a few billion dollars worth of reserves, cannot cope with the tremendous money power of the big internationals.

● (1750)

Even though the government, members of the NDP and members of the Conservative party, are all in agreement with giving maximum opportunity to Canadians to participate in this great resource of ours, the realities are that if we do not set this up so that the small company can survive in the early

days of the operation, we will have lost the Canadianization component and turned the wealth over to the big international companies.

I have seen this happen in Alberta, British Columbia and the province of Saskatchewan. There was a government in Saskatchewan which was dedicated, when it was first elected in 1948, to principles of socialism. It made tremendous efforts through this type of negotiated agreement, yet its efforts failed. As a result, the government, through its premier, Tommy Douglas, gave its words in the House in Regina that it would work in partnership with private enterprise and that there would be no expropriation of those companies. In effect, that government welcomed the big companies, which had to go along with the type of regulations that existed, and the Canadian industry in Saskatchewan was brought to its knees. That was a government which was sincere and intelligent and fought hard, but it faced up to this reality and accepted the fact that if you are operating on a type of regulation under which only the big guy can survive, you have to turn the property over to him.

This particular regulation which deals with the setting up of exploration agreements is fine in principle and we should give it all the backing we can, but in reality, it is based on trust, and that is wrong. Do these oil companies trust the government? Do these oil companies trust each other? There is no way that they do. These are the most experienced fellows in the world in dealing with governments in all countries of the world. They know exactly where the weak chink is in every armour of any party in any country in the world. They are not stupid. They find the way to out-compete their competitors by dealing with human beings who make up the team on behalf of the government. This is not just a question of bribing politicians, it is a matter of an insidious advance they make on the basis of mutual self interest to the civil servant and the politician.

Believe me, I have seen many nations in the world caught up in this same problem. I have seen Canadian companies in competition with companies in other countries around the world in the development of oil, particularly in some of these new countries, and being squeezed out, even though the local government wanted a Canadian company. The reason was that they could not compete as Canadians with that type of insidious approach taken by skilled oil companies which have many years of experience in dealing with governments of newly developing nations.

The reality is tough, and the least we can do here to protect our own reputations as Members of Parliament is not to oppose this type of clause, Clause 10 of the bill, but to try to make it better and to give it a half decent chance of working, and to do so by putting in a provision giving us the right to review the minister's reasons. That will force him to make certain he does not do things for any reason whatsoever, whether idealistic or any other reason that is bad.

I do not want to go into all this muck and dirt of how it operates. I supported this type of proposal when I was minister but could not get it accepted because the oil companies were opposed to it. Why are they opposed to this type of rule in Clause 10? They know that human beings run governments, and they do not trust each other. They would rather deal with a formula under which everybody gets the same chance. As I said earlier in my remarks, when you have to deal with so much value, there is no limit to what the human mind can do to find ways of beating out competitors by using proposals that look so much better, but underneath hold all the devices which result in a sellout.

I should think everyone of us here, when we come to vote on this amendment proposed by the Conservatives, should support it, adopting a principle which applies to one of the other clauses of the bill, namely that after the minister has taken all this power and used it, he must give his reasons, and these reasons, as in other clauses of the bill, are subject to review.

If you want to read the section, it is Section 56. I am not a lawyer, but I am sure that of all the convoluted ways of protecting the public some are surely there. This will require time, but if we leave all this power in the hands of one man without any form of review, we will be walking into a trap we will all be ashamed of, and, worse than that, we may hand over all this wealth amounting to several trillion dollars to those who know best how to deal with human beings in negotiating agreements.

I want to conclude by making an appeal to all hon. members of the House. I know how these things are decided. It has probably already been decided in the caucuses of the various parties how each party is supposed to vote. I would still like to believe that this is a parliament in which we talk and sometimes listen, and that my remarks and those of the member from Calgary and the member from British Columbia have made some impact. This amendment by the Conservative party should not be judged just on the basis that it comes from the Conservative party, but should be judged as to whether it would make this a better bill. In my estimation, Bill C-48 should be dropped entirely for the reason that we are simply turning all our wealth over to foreign international oil companies. That is how it will turn out, in spite of all the incentives we have planned. I know the arithmetic, I know the cash flow technique, I know the discounting backwards, and I know how closely the companies figure things out. Even though we cannot promise perfection, at least the right to review might enable us to stop some of these things from happening.

That is the sum total of my remarks, Mr. Speaker. I hope I have had a good hearing today and that members will give every consideration to the suggestion that this amendment can only improve the bill. Thank you very much.

The Acting Speaker (Mr. Blaker): Shall I recognize the hon. member for Prince George-Peace River (Mr. Oberle) and then call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): The hon. member for Prince George-Peace River will have the floor if he is here at the appropriate time tomorrow afternoon. It being six o'clock, pursuant to Standing Order 2(1), the House now stands adjourned until two o'clock tomorrow afternoon.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 22, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the Minister of Employment and Immigration (Mr. Axworthy) told this House that he had increased the quota of eastern European refugees from 4,000 to 5,000, but of this total only 2,500 would come from refugee camps in Austria. Since Canada has taken 75,000 refugees in the past two years, since there soon will be 30,000 Polish refugees in camps in Austria, and winter is setting in, together with all the other hardships being encountered, and since the new quotas for 1982 will not help the present urgent situation, I move, under Standing Order 43, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House direct the government to heed the urgent appeal for help from the Canadian Polish Congress and the foreign minister of Austria, Willibad Pahr, and immediately increase its quota of Polish refugees to Canada and send aid in the form of warm clothes, food and medical supplies to the refugee camps located in Austria.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Smith said no.

Some hon. Members: Oh, oh!

Madam Speaker: Order please. There is no need to identify those who say yes or no.

An hon. Member: Oh yes there is.

Madam Speaker: The hon. member for Don Valley West (Mr. Bosley).

Mr. Bosley: Madam Speaker, I agree that there is no reason to identify the fact that David Smith said no.

EXTERNAL AFFAIRS

REMEMBRANCE OF RUSSIAN INVASION OF HUNGARY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House, in memory of the events that began 25 years ago on October 23 in Hungary, express its abiding opposition to the continuing totalitarian suppression of real freedom in Hungary and in all other countries so controlled, its sincere gratitude to those thousands of Hungarians whose reason for coming to Canada was so tragic and whose contribution to Canada has been so great, and its deepest sympathy to all those who lost family and friends in the valiant fight for freedom and against totalitarianism, whose sacrifice free people must never forget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE DISABLED AND THE HANDICAPPED

PROTECTION FROM DISCRIMINATION—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I too stand under the provisions of Standing Order 43. Whereas the government has promised that the Canadian Human Rights Act would be amended to protect the rights of the handicapped, and the report of the special committee made a number of recommendations in this respect, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House instruct the Minister of Justice to bring before the House amendments to the Canadian Human Rights Act that would protect disabled Canadians from discrimination, as was promised in the Speech from the Throne, and that these amendments be in conformity with recommendation number one of the report of the Special Committee on the Disabled and the Handicapped.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

AGRICULTURE

CALL FOR TABLING OF DEPARTMENTAL REPORTS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, whereas the Department of Agriculture has prepared a number of reports for the Minister of Agriculture (Mr. Whelan), with regard to the economic crisis facing the agricultural community in Canada for the years 1981, 1982 and 1983, particularly as it relates to the cattle producer, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House require the Minister of Agriculture to table those reports in this House immediately, so that all Canadians may understand fully the serious impact of this government's economic policies on the agricultural industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE CARS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, yesterday in this House the Minister of Industry, Trade and Commerce (Mr. Gray) stated that August figures indicated a sharp drop in Japanese automotive imports into Canada. Had the minister waited, with everyone else, to review the official figures that were released by Statistics Canada only today, he would have known that in fact in August there was an increase in Japanese automotive imports by over 2,000 units over the corresponding period last year. Despite the minister's 6 per cent voluntary reduction agreement with Japan, the level of such imports into Canada has increased by some 70 per cent in the last five months alone, contributing considerably to massive unemployment in this country. In view of these alarming statistics I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the minister be instructed to take immediate action in obtaining assurances from Japanese auto manufacturers that their commitment made to Canada to reduce auto imports will be honoured.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

IMPACT OF INTEREST RATE POLICIES ON FARMERS—MOTION UNDER S.O. 43

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, I rise on behalf of the hard-pressed farmers of Canada. My colleagues, the hon. member for Bruce-Gray (Mr. Gurbin) and the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), and I have been asked to transmit to the Prime Minister (Mr. Trudeau) 1,792 letters from farmers in our area protesting the high interest policy which has had, and continues to have, a terrible impact on even the strongest and oldest farming operations. Since both the Prime Minister and the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) have refused to meet with us to receive and discuss these letters, I am sending them by hand to the Minister of Finance. I move, seconded by the hon. member for Bruce-Gray and the hon. member for Wellington-Dufferin-Simcoe:

That this House deplores the disastrous effects the government's high interest rate policies are having upon Canadian farmers and calls upon the Minister of Finance to provide immediate relief before more farmers are forced into bankruptcy or distress sales.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Yes.

Some hon. Members: No.

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INDIAN AFFAIRS

EMPLOYMENT PROSPECTS FOR MIGRANTS TO CITIES—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, a report released earlier this year concludes that the great majority of Indians moving from reserves to cities do so in the hope of finding work, but are only successful in a few cases. Because the results of this situation are too often family breakdown, crime, alcoholism, and suicide, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister of Indian Affairs and Northern Development, and the Minister of Employment and Immigration take seriously their responsibilities to Indian people and seek to address this alarming and urgent situation by studying the finding of this report, of the report of the Joint Working Committee on Native Women's Employment, and the Employment Task Force report so that new and successful ways can urgently be found to solve this problem.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Yes.

Some hon. Members: No.

• (1410)

FORESTRY

EXPORTS OF LUMBER TO UNITED STATES—MOTION UNDER S.O. 43

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of vital concern to all involved in and around the Canadian forest industry.

In recent weeks there have been misguided but increasingly heavy pressures on the United States government by the United States northwest forest industry, state leaders and congressional politicians, to limit imports of Canadian lumber drastically, a course of action which, if followed, would cause grave consequences to Canada's most important exporting industry already hard hit by lay-offs and plant closures. I therefore move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That this House urge the government to launch an intensive lobby and information campaign directed at appropriate United States congressional, state and forest industry leaders, pointing out the gross inaccuracies in United States complaints of allegedly unfair Canadian competition, and stressing that the prime reason for the current disaster in the North American lumber and housing market is the self-destructive monetary and fiscal policy—especially usurious interest rates—of the Reagan administration and other jurisdictions which slavishly follow the U.S. lead.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC SERVICE

TREASURY BOARD PAY OFFER TO GENERAL SERVICES GROUP—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That in its negotiations with the General Services Group of the Public Service, the Treasury Board, which is offering only a 5 per cent increase while inflation is known to be running at over 13 per cent, be required by this House to re-examine its offer to that section of the Public Service which is generally recognized as lagging considerably behind employees in the outside market who perform similar duties, a view that is supported by a recent declaration emanating from the Human Rights Commission.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ENERGY

DELAY IN IMPLEMENTATION OF OIL SUBSTITUTION PROGRAM IN ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, since the people of Canada were advised that the government was committed to the effective management of Canada's energy future through the Canada Oil Substitution Program introduced one year ago, and since the people of eastern Canada, including the people of Prince Edward Island who pay the highest energy costs in Canada, are still not able to obtain application forms, although the program was announced in the budget 12 months ago, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House condemn the Minister of Energy, Mines and Resources for allowing this important subsidy program to be tied up in red tape while thousands of eastern Canadians, who have already spent their hard-earned money converting, suffer from the inaction and incompetence of his ministry. And I further move that this House instruct the minister to release those application forms immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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GRAIN

INCREASE SOUGHT IN CASH ADVANCE LIMIT—MOTION UNDER S.O. 43

Mr. Stan Hovdebo (Prince Albert): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent importance.

Whereas the combination of high interest rates and low delivery quotas is creating a cash shortage on western grain farms, and whereas the Prairie Grain Advance Payments Program was enacted to assist farmers meet these cash shortages, and whereas the maximum cash advance of $15,000 for farm-stored grain was put in place long before these days of 20 per cent interest and 13 per cent inflation rates, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That the government accept the advice of its own Canadian Wheat Board Advisory Committee, and raise its cash advance limit to $50,000 per individual farmer.

This raise was promised by a former minister responsible for the Wheat Board in the 1979 election campaign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FUNDS FOR EDUCATION AND HEALTH CARE—MOTION UNDER S.O. 43

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas one of Canada's most worth-while achievements over the last 25 years was federal-provincial co-operation in funding post-secondary education, which has resulted in hundreds of thousands of young Canadians from modest income families being able to attend colleges and universities and achieve careers of great distinction, I move, seconded by the hon. member for Erie (Mr. Fretz):

That the government immediately cancel the proposed unilateral cut of $1.5 billion for post-secondary education and health care and return to the worthwhile pursuit of co-operative federalism.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

FORECAST OF INCREASES IN RENTAL PAYMENTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the minister responsible for housing. I have before me a document which the minister admitted yesterday had been submitted to the cabinet over his signature. It indicates, on page 21, that at today's interest rate levels rental payments will have to increase by 39 per cent annually over the next five years for landlords to get any kind of return on their investments. In addition to shortages of rental accommodation, tenants will be faced with catastrophic increases in their monthly payments.

Since the report points out that close to half a million low income renters already pay well over 30 per cent of their incomes for shelter, what plans does the minister have to meet this impending crisis? And it is indeed a crisis.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Cosgrove: —the problem identified by the hon. lady was one of the ones foremost on my mind when, in the spring of this year, I met with my provincial counterparts and we discussed that problem. I indicated that the federal response at that time was, for example, to address supply coming onto the market in order to take some of the pressure off rent availability, thereby impacting prices renters have to pay. It was for that reason, for example, that last year, and again this year, as an alternative to assisting those people, the government increased its commitment to social housing through the rentals that people acquire by way of co-op and non-profit housing. That is why we increased those starts and why I was happy to say, the last time I answered the hon. lady's question, that, for example, as late as Saturday of last weekend I assisted in the start of another one of those projects to increase supply and to assist people at that income level.

Miss MacDonald: Madam Speaker, the minister of course knows, if he reads the document he presented to cabinet, that starts this year and next year in both rentals and in home dwellings will be down, and that will be a severe concern to both home owners and renters.

REVERSAL OF THIRTY-FIVE YEAR TREND

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I want to refer the minister to another part of this chilling document, and that is the statement in it that young families starting out are not going to be able to afford homes and face:

—tight rental markets . . . waiting lists and doubling up with family and friends. We will thus witness a substantial regression in housing conditions following 35 years of gradual improvement.

Is the minister content to go down in history, as this document says, as the man whose policies produced substantial regression in housing conditions following 35 years of gradual improvement? Is that his intention? Is that what he is doing to this country, and is he content to do so?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, indeed that would not be my intention. I direct the attention of the hon. lady to published Canadian housing statistics which show, for example, that since I have had the responsibility for reporting to Parliament for the Canada Mortgage and Housing Corporation, the number of starts since March of last year through to this year has gradually increased month over month and quarter over quarter, to reach a three-year high of 242,000.

Some hon. Members: Hear, hear!

* * *

● (1420)

EMPLOYMENT

LAY-OFFS IN CONSTRUCTION AND LUMBER INDUSTRIES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the minister knows, of course, that the document he presented to cabinet indicates that housing starts will drop off sharply this quarter and will be down tremendously next quarter. Because he has no clout with cabinet to put his proposals forward, I will turn to another minister, the Minister

of Employment and Immigration, or maybe I should say of unemployment and immigration.

I brought to the attention of the minister responsible for housing on Tuesday the fact that at the present rate of housing starts, which is well below demand, there are widespread lay-offs across the country, particularly in the construction industry and in the lumber industry. The report which the minister presented to cabinet indicates that housing starts will be sharply lower next year. It indicates a loss of 30,000 more jobs in the housing and construction industry. In the face of this crisis, is the minister considering policies to put these 30,000 construction workers and those in related industries back to work? Is he considering policies to do that, because the report says they will be laid off, or is he, like the Minister of Finance, content to write these people off as an aberration or a sampling error? Is that what he is about to do?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the hon. member had been listening to the statements by my colleague, the Minister of Finance, she would know that that minister is not content with conditions in the economy and has indicated that he intends to take very significant and major measures in the budget to deal with those factors. At the same time I would like to point out to the hon. member that we have arranged, for the second round, a new direct employment program that will provide thousands of jobs for Canadians, a program that had been cancelled by her government when she was in power, and that we will continue in the high unemployment areas. When it comes down to who is concerned about unemployment, I think the record speaks for itself.

* * *

HOUSING

SALE OF HOUSES HELD BY CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my questions are for the minister responsible for Canada Mortgage and Housing Corporation. I remind the minister that the great applause he received from his side might be an indication that he is in real trouble. This minister has a great deal of housing stock under his authority, particularly in the city of Mississauga. He has a lot of housing that could be sold to individuals. He could sell that housing at realistic mortgage terms like the Ontario Mortgage Corporation does, taking back mortgages at 10 and 12 per cent instead of insisting that these people pay all cash. One of the things that really bothers me—

Madam Speaker: Order. I cannot have these long preambles. I have accepted one abuse, but I am not accepting another.

Mr. Blenkarn: Is the minister prepared to sell this housing to individuals, taking back mortgages at realistic terms, or is he going to continue to insist on asking the highest price possible and insist that individuals pay all cash? Is that the minister's policy, and is he going to continue it?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the hon. member puts his finger on a very difficult problem faced by Canada Mortgage and Housing Corporation, one which was reflected during the time his party held office previous to this government, that is, the responsibility of the Canada Mortgage and Housing Corporation, not only in addressing social concerns and social needs, but carrying on its business in a way in which it shows a good return and use of the taxpayers' resources.

While the Conservative government was in power the then minister of Public Works was authorized to borrow $200 million because the corporation found it difficult to compete in a depressed market for the sale of some of that housing. The corporation is attempting to get a good return for the taxpayer on the sale of properties that come back into the mortgage insurance fund. Our objective is also to serve social needs and to return that housing to people at reasonable rates.

SALES TO INVESTORS AND SPECULATORS

Mr. Don Blenkarn (Mississauga South): I am glad the minister is interested in social matters, Madam Speaker. This is the subject on which I want to address him. Is he aware that his corporation is offering housing to tenants who live in that housing at prices in the neighbourhood of $38,000 in Mississauga, but is prepared to discount that housing to speculators and investors at $31,000?

Some hon. Members: Oh, oh!

Mr. Blenkarn: And he is insisting on all cash from the home owner, but he is working out some other deal in terms of a share arrangement with the speculators? Is he really the minister for social housing, or is he the minister of MURBs and speculation?

Hon. Paul J. Cosgrove (Minister of Public Works): I already indicated to the hon. member that, in fact, the corporation has to attempt to balance both; it has to attempt to balance sensibility and responsibility to people in need, with its responsibility to the taxpayers who provide the funding and wherewithal by which it operates.

Some hon. Members: Hear, hear!

ASSISTANCE FOR HOME OWNERS RENEWING MORTGAGES

Mr. Edward Broadbent (Oshawa): I direct my question to the minister responsible for housing. According to yesterday's press the minister said, "There is an unofficial deal that has been worked out with the financial institutions to ensure that there would be no family losing their home through foreclosure until the budget is brought down." Mr. Colhoun, president of the Trust Companies Association, says he knows of no such deal. The secretary-treasurer of the Bankers' Association said,

and I quote, "I am not aware of any deal like this." I should like to ask the minister if there is a deal and, if so, why have the financial institutions not been told? Or is this another one of his secrets?

Hon. Paul J. Cosgrove (Minister of Public Works): The best way to respond to the question of the hon. Leader of the New Democratic Party is to offer him a document signed by the President of the Canadian Bankers' Association. It is a response to an individual person's request for help, and indicates that the association has set up senior executives who are charged to overview each individual branch operation to respond to people's individual needs in order to avoid the problem the hon. member refers to. I would be happy to provide the document to the hon. member.

REQUEST FOR MINISTERIAL GUARANTEE AGAINST LOSS OF HOME OWNERSHIP

Mr. Edward Broadbent (Oshawa): I have listened with care to the minister's answer. He said a spokesperson for the Canadian Bankers' Association offered such a promise, even though the secretary of that association in yesterday's press said that no such deal existed. Considering there are families across Canada losing their homes every day and thousands more caught in this housing crisis, is the minister prepared to guarantee to those families that no family will lose their home before the budget is brought down?

Hon. Paul J. Cosgrove (Minister of Public Works): I share the concern of the hon. Leader of the New Democratic Party. After the meeting between the Minister of Finance and representatives of the financial institutions I requested they accept that responsibility, which I view to be, in large part, their responsibility toward their clients. We have seen the results of this, Madam Speaker, in the Royal Bank's press release yesterday. We saw a statement that said, "We want a situation where no Royal Bank's client risks losing his or her home because high interest payments temporarily make monthly payments too heavy to bear."

Our objective—and I am sure it is shared because of the question of the hon. leader—is to see that all mortgage holders adopt that as an objective until budget time, and until the government indicates what its response is in concert with the mortgage holders.

• (1430)

REQUEST FOR PRE-BUDGET ACTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, everyone will have noted that the minister did not offer the guarantee I requested so that people would not lose their homes. In all that verbiage no guarantee was offered. This crisis is of immense concern not only to the families who are losing their homes but to those who are having to change their family budgets, or having to put another person out to work to maintain their homes because of mortgage levels. Will the minister take concrete action before the budget comes down to help those families avoid this crisis? I ask that in the context that I have accumulated today more than 15,000 signatures of people who are concerned about the interest crisis, many of whom are from the minister's riding.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the answer to that question is yes. At a public meeting last evening in my riding I met with a number of my constituents. In response to that question, my office accepted a number of complaints and requests for help which were made. I will attempt to respond to those cases which are brought to my attention, those cases where there is genuine concern that homes would be in jeopardy before the other financial institutions respond to the Royal Bank initiative or the budget. I would be happy to receive any case from any individual Member of Parliament who is genuinely concerned there is a hazard that the home will be lost.

Some hon. Members: Hear, hear!

QUERY RESPECTING ACTION BY MINISTER OF FINANCE

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Finance. The minister demanded in the past that the chartered banks take the first step in aiding home owners victimized by high interest rates. Also he demanded that the banks, "be fair, be compassionate and bleed a little". The minister will be aware of the five-point plan announced by the Royal Bank to which the minister responsible for housing referred. It will cost the Royal Bank about $2 million.

Now that the chartered banks have taken the initiative, is the minister prepared to bleed a little himself by introducing measures to aid hard-pressed home owners, or is he continuing to avoid the issue, which is the political equivalent of cutting his wrists?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, all I can say is to express my acknowledgement that the Royal Bank has taken a proper step in announcing an additional program of five points to assist home owners facing renewals. I believe it will be of assistance in certain cases. It will offer renewal at 16 per cent where conditions warrant, which will be quite helpful. I have stated to the financial institutions, in my several meetings with them, that I expected them to take some responsibility, and once they had demonstrated what the private sector could do it would be easier for the government to add, if necessary. I am moving in that sequence, and I am very pleased that the Royal Bank has moved in the correct direction.

TASK FORCE REPORT

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also directed to the Minister of Finance who is clearly leaving the responsibility on the shoulders of the banks. I should like to point out how he moved 3,000 petitions complaining about high interest rates from his

desk to that of the Prime Minister. I feel this indicates how he would like to divest himself of any responsibility for fiscal policy.

In dealing with the task force, which is what I believe the Minister of Finance referred to when he talked about meeting with institutions, he stated in the past that he established a task force which included representatives of trust companies, credit unions and the banks to study these problems. When can we expect a report from the task force? Will a report be publicly presented to us? Is the task force working directly with the banks to devise more plans to aid people hurt by high interest rates?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the setting up of the task force came out of the meeting I had with financial institutions. It has met a number of times. One of the tasks or one of the primary areas of discussion was how general could an interest deferral scheme become applicable, could it be applied across all financial institutions? Here we have the Royal Bank moving ahead. I know the caisses populaires have already done very commendable work in adjusting their collection schedules to the requirements of the clients.

Miss MacDonald: What is the government doing?

Mr. MacEachen: I believe in the sound operation of the private economy, the private sector in Canada, and I believe we ought to combine our efforts to solve the problems facing Canadian citizens. It would be possible at the proper stage to combine our efforts and relate what we may do to what has already been accomplished by the private sector. I believe further steps could be taken. I would be pleased to report at the appropriate time to the hon. member and to the House on the results of the monitoring of the task force which has been established.

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VIA RAIL

ELIMINATION OF ATLANTIC LIMITED TRAIN SERVICE

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, in the absence of the Minister of the Environment I should like to direct my question to the Minister of Transport. In view of the impressive and extensive criticism of the decision to abandon rail passenger service, will the minister change his decision regarding Atlantic Limited or any of the trains, if facts raising a reasonable doubt about the correctness of his decision are presented to him?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already expressed myself quite clearly on the subject. I am quite willing to account for the validity of what we have done. But the decision has been made, the cabinet has passed an order in council to that effect, and there is no way that I can come back on that.

REQUEST THAT MINISTER MEET NEW BRUNSWICK REPRESENTATIVES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, the minister's answer speaks for itself in terms of fairness and regard for Parliament. Where the minister is not prepared to follow the democratic process through the CTC, will he agree to see, at once, representatives of the municipalities in New Brunswick that are directly affected by this cutback and believe they have solid evidence which justifies continuation of the train?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I just want to repeat what I have already said and what everyone knows. The law, section 64 of the National Transportation Act of 1967, allows the Government of Canada to do what has been done. There is a reason for that. It is simply that going to the CTC on such a number of routes would give piecemeal decisons on a single file, if one wants to put it that way. What is needed now—and my precedessors received the same recommendation from their advisers, VIA in particular—is a global approach to the rationalization of passenger railway transportation in Canada. The democratic process is being followed. The law allows the government to do that, and there is good reason for it.

REQUEST FOR DELAY IN SCRAPPING PASSENGER CARS

Mr. Les Benjamin (Regina West): Madam Speaker, I have a couple of questions for the Minister of Transport who, like the minister responsible for housing, has been helping to stack the deck chairs on the *Titanic*. Legal action is being initiated today or tomorrow in the courts in Winnipeg, by the city of Melville, the town of Watrous, Saskatchewan, the Saskatoon Environmental Association, and the Saskatchewan section of Transport 2000, on the legality of the government's abandonment of certain train services, and since VIA Rail has announced the scrapping of 250 to 300 railway passenger cars, it would be physically impossible to restore those abandoned routes, should the minister's order be found illegal, because of the equipment which has been scrapped.

• (1440)

Pending a decision by the courts or, better, a decision by the House of Commons Transport Committee or the CTC, I should like to ask the minister if he will cancel or delay plans to scrap VIA equipment and cancel or delay the abandonment of certain passenger routes?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the legal aspect of this is quite clear. Should someone take legal action against a decision of the government, should there be an injunction to stop what is taking place now, I am quite sure the government will obey the law.

DETERMINATION OF FINANCIAL LOSSES INCURRED BY PASSENGER TRAINS

Mr. Les Benjamin (Regina West): Madam Speaker, the Minister would then obey the law when it is too late to restore the routes, because the equipment has been scrapped. The minister neglects to explain how he is going to replace 250 or 300 railway cars that have been scrapped, with 50 new ones.

I have received a report from the Canadian Transport Commission which states that the determining of financial losses for passenger trains is inadequate. It recommends a thorough review of railway accounting systems as applied to VIA. Since the minister's decision to abandon VIA service is obviously based on outdated and inadequate information, as is pointed out by the CTC, will he at least delay, if not rescind, the abandonment of those passenger routes and appoint a commission of inquiry into the financial relationship between VIA Rail and the railway, since obviously VIA is being overcharged for services by CP and CN?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am quite sure that if my old friend, who is keen to inform himself fully on these matters, consults further with his advisers he will probably learn—and I am sure of it myself—that there has been quite a substantial improvement in the auditing and disclosure of information concerning costing order R63-13 of the Transport Commission. I think the president of VIA will recognize that quite easily.

In regard to costing order R63-13, I have to tell the hon. member that we have a joint study between Transport Canada and the CTC which is examining it in depth. I am quite willing to go to the Transport committee to discuss it with members of that committee because I think that these are really the major problems which confront us now. This particular aspect was to be looked at, and I would be very keen to go to the committee to learn member's views on the matter because this is the most urgent subject that has to be debated.

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ETHNIC GROUPS

CONTRIBUTION OF HUNGARIANS TO DEVELOPMENT OF CANADA

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is for the Minister of State for Multiculturalism. As we all know, tomorrow marks the twenty-fifth anniversary of the beginning of the Hungarian uprising of 1956. In keeping with the spirit of the motion presented today by my colleague, the hon. member for Don Valley West, would the minister please express the sympathy of members of this House to all those who lost family and friends in that struggle for independence, and would he also acknowledge the great contribution that people of Hungarian origin have made to the development and cultural heritage of Canada?

Some hon. Members: Hear, hear!

Some hon. Members: Order.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Yes, Madam Speaker, I am pleased to join in the spirit—I hear some objections from the other side of the House but I am sure that is not the feeling of all on that side of the House.

Some hon. Members: Order, order.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. That really was not a question to elicit information.

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INCOME TAX

TAXATION OF NORTHERN BENEFITS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of National Revenue. Is he in a position to report on the findings of an interdepartmental committee appointed to look into the whole question of taxation of northern benefits and which resulted in a remission order with respect thereto? Since the deadline of the remission order is getting closer and the budget is getting closer, is the minister in a position to tell us today what he intends to do to help northerners cope with the incredibly compounded cost of living in the areas of housing, energy, and all that is associated with today's crises?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I certainly share the idea that northerners are suffering under high costs possibly more than other people in other parts of Canada. As the hon. member knows, the remission order is in place until the end of December. The government is reviewing the situation, and at such time as the policy is changed an announcement will be made in the House. I have no such announcement to make today.

POSSIBLE BUDGETARY PROVISIONS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I should like to ask the minister to address himself to the question of whether he is confident that there will be a reflection in the budget with respect to this very crucial problem. Could he tell us today whether the notion of using the Income Tax Act to allow northerners to claim greater deductions from their personal incomes in an effort to achieve more equality and fairness with others is acceptable, recognizing the need of northerners for greater incomes to allow them to cope with excessive costs? Is the minister confident that something will be reflected in the budget? Is he pursuing the notion of using the Income Tax Act to achieve greater equity and fairness with respect to raising taxes throughout the country?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, the hon. member knows that the budget is under the purview of the Minister of Finance. It would not be my place to discuss the budget before it comes down. The hon.

member's representation is on the record and I am sure it will be appreciated.

* * *

PIPELINES

ALASKA GAS PIPELINE—QUERY RESPECTING COMPLETION OF PROJECT

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources. He will recall giving the House iron-clad guarantees many months ago that construction of the Alaska gas pipeline would go ahead as planned, that is, for completion in 1983. Reports coming from the Congress of the United States now have it that the U.S. authorities are reluctant to proceed on account of perceived anti-American provisions within the national energy policy.

Could the minister please tell the House whether any changes are to take place in the national energy policy, or if he plans any other course of action to ensure the timely completion of the Alaska gas pipeline in its entirety, as he previously promised this House?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I do not know where my hon. friend is getting his information. On the contrary, the information we have is that the United States administration is very supportive of the project. The best evidence of this is that the administration has sent a waiver bill to Congress for adoption, which is going to remove a lot of the obstacles that remain in the way of completion of this project. We have received no indication at all from the United States administration that it would be considering even a delay in the construction of that particular pipeline. We hope that Congress is going to live by its commitment, that is, the unanimous resolution passed by Congress a year and a half ago in which both the House of Representatives and the Senate fully endorsed the project and said that steps should be taken to make sure it is realized.

Mr. Nickerson: Madam Speaker, according to the minister everything in the garden is rosy, but that does not seem to be the view taken by the hon. Mitchell Sharp, the pipeline commissioner. In a speech given in New York a few days ago he referred to what he called "a new element of uncertainty" that has been injected into the whole complex scheme.

An hon. Member: Are you against it?

Mr. Nickerson: With all due respect to the minister, Madam Speaker, I would suggest that his iron-cladding is getting a little rusty.

EXPORTS OF GAS TO UNITED STATES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my supplementary question is this: if the American sections of the pipeline through Alaska are not proceeded with, and if the sections of the line through the Yukon and northern British Columbia are not proceeded with—and you have to admit that this now looks like a distinct possibility—is it still the intention of the government to be prepared to authorize exports of Canadian gas through the pre-build section, or is it likely that it will reconsider those export permits in light of the possibility that the pipeline as a whole will not be built?

● (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member referred to a speech given by the hon. Mitchell Sharp. For the purpose of fairness and honesty in this House, the hon. member should have read the whole sentence. Mr. Sharp said:

> A new element of uncertainty was injected into this whole complex process with the election of a new administration under President Reagan last November.

That has nothing to do with the NEP. Since that speech the administration has removed that element of uncertainty by sending to Congress the waiver bill that I referred to, which indicates the administration wants to see this project proceed. As far as the possibility of cutting back on export permits that have already been granted is concerned, the government is not considering any such thing.

* * *

NATIONAL DEFENCE

INCREASED COST OF F-18 FIGHTER AIRCRAFT PROGRAM

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. In March last, during the study of the estimates of the minister's department, we were all informed that the total program costs in budget year dollars for the new fighter aircraft would be just over $4 billion. In August Brigadier General Slaunwhite said that the program costs are now estimated to be $5.2 billion. Would the minister explain where the extra billion is going to be spent? Perhaps more important, could he explain where it is coming from?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am very glad to be able to answer the hon. member. I may not be able to answer him in detail, but I can in a global way. I hope now there will be confidence in the F-18 aircraft because the Australians have just bought 75 of them.

Some hon. Members: Hear, hear!

Mr. Lamontagne: The increase in cost was projected in the contract as part of the difference between the exchange on Canadian dollars, which, as hon. members know, goes up or down.

Mr. Epp: Down.

Some hon. Members: Oh, oh!

Mr. Lamontagne: In addition it is affected by the rate of inflation, which goes up and down also. We all hope it will go down.

If the inflation rate goes down and the exchange on the Canadian dollar goes up, the cost of the plane will be less. If it is the other way around, the cost of the plane will be higher.

Mr. Kempling: Hurrah! We have a new minister of finance.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lamontagne: Madam Speaker, it is a very simple question, and that is why I have expressed it like that.

Mr. McKinnon: Madam Speaker, I almost got motion sickness in the middle of that answer.

Some hon. Members: Oh, oh!

COMMITMENT TO NATO ALLIES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the minister has just admitted the effect inflation is having on the cost of the new fighter aircraft. Last spring he was boasting to our NATO allies that we would have a 3 per cent increase in our budget in real terms. In view of the fact that the inflation rate is considerably higher than he estimated, does he now intend to bring in a supplementary estimate or does he intend this to be just another broken promise to our allies and to the Canadian forces?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, with regard to the question as to whether or not our allies are satisfied with the performance of Canada within NATO or our defence agreements, I must say that we have not yet been criticized by our allies in this regard. I have just come back from a meeting of NATO ministers in Edinburgh, and no one seemed to accuse us of not doing our share. On the contrary, our allies were very satisfied with the way in which Canada always supports NATO statements or achievements.

As to whether or not we shall be introducing supplementary estimates for the Defence budget, I believe that what I have said will be confirmed in due time, namely that Canada is aiming at a 3 per cent growth increase rate for real defence expenditures.

[*English*]

ENERGY

IMPORTATION OF URANIUM MINED IN NAMIBIA—GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister is no doubt aware that Eldorado Nuclear Ltd., under licences from the Atomic Energy Control Board, for which the minister is responsible in this House, is importing uranium ore mined in Namibia and shipped to Canada via South Africa. He should also be aware that a senior official of the Atomic Energy Control Board indicated on television on September 15 that he was unaware this was happening, but that if it was, it would be against government policy, and indeed against the law. The next day the Secretary of State for External Affairs said that no such law and no such policy existed.

Given the contradictory positions between his agency, the Atomic Energy Control Board, and the Secretary of State for External Affairs, can the minister tell the House what is the policy of his department, and what is the policy of the Government of Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Atomic Energy Control Board has reviewed this position. My hon. friend refers to a statement made by one official of that particular board at a particular time. That is not a statement by the board or the policy of the board. Since then I have been advised that the Atomic Energy Control Board has reviewed all the facts and has examined the situation. The board concluded that everything done was done according to the law, and that now law was breached in Canada by Eldorado Nuclear Ltd. That is a statement made by the Atomic Energy Control Board, and I have nothing to add to it. The Secretary of State for External Affairs has stated the policy of the government on this issue generally.

ISSUANCE OF IMPORT PERMITS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the minister is saying no that no law or no government policy was breached. Can he assure the House that his agency will not be granting any further permits to Eldorado to import uranium that is mined in Namibia, which is in violation of 1970 and 1971 United Nations resolutions, resolutions which so far have been supported in spirit by the Government of Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Again, Madam Speaker, the Atomic Energy Control Board has reported that no law was breached. As far as the external affairs policy of the Government of Canada in terms of trade or other relationships is concerned, I suggest the hon. member should address his question to the Secretary of State for External Affairs.

[*Translation*]

EXTERNAL AFFAIRS

REVIEW OF "URBAN PUBLIC TRANSIT"

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Madam Speaker, in the absence of the Secretary of State for External Affairs I shall direct my question to his parliamentary secretary.

The External Information Programs Division of the Department of External Affairs recently put out a publication entitled "Urban Public Transport". The purpose of this publication is to inform other countries about the Canadian experience in public transport.

Unfortunately, when one looks through this publication, one finds that it does not reflect the Canadian reality, since it fails to give due recognition to developments in cities of the province of Quebec and does not contain the least reference to one of its most important firms, namely, Bombardier.

Can the parliamentary secretary tell the House what the department plans to do with this publication which, in my opinion, is incomplete?

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, this publication has been under review, and I consider that it does not faithfully reflect the transport situation in Canada. We have therefore ordered that it be withdrawn.

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[*English*]

AGRICULTURE

IMPACT OF HIGH INTEREST RATE POLICY ON FARMERS

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, my question is for the Minister of Finance. Earlier this afternoon my colleagues from Bruce-Grey and Wellington-Dufferin-Simcoe gave the minister more than 1,700 letters from farmers in our area who have been trying to make him realize the terrific impact the government's high interest rate policy has on farmers. In view of the critical financial condition of these farmers today, will the minister give this House the assurance that his budget will address this problem and bring relief to them? As well, will the minister move up the date of his budget so that measures can be put in place before farmers are forced to sell their land in a depressed market or have to declare bankruptcy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have received those letters which were addressed to the Prime Minister. They were signed by individuals, but they are exactly the same in most cases, having been mimeographed or printed. That does not in any way detract from their importance, however. I might add that I answered those questions yesterday and the day before.

With respect to the budget date, nothing has changed since yesterday.

Miss MacDonald: Wait until tomorrow. We will have a new date.

Mr. MacEachen: With respect to the hon. member's concern as to the impact of interest rates on the agricultural community, I have already indicated my concern and awareness of this problem and that I was addressing it in the context of budget preparations.

Mr. Cardiff: Madam Speaker, I would urge the minister to look at the notations on those letters. Many of them are important, and I would hate the minister to dismiss them lightly.

REQUEST FOR IMMEDIATE ACTION

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, what immediate remedies does the minister have to help farmers in these distressed situations until such time as he brings down his budget in this House? Some farmers are not in a position to last until then. What immediate measures does the minister have to offer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I answered a similar question yesterday addressed to me by the hon. member for Oshawa.

● (1500)

Madam Speaker: Is the hon. member for Yukon (Mr. Nielsen) rising on business of the House?

Mr. Nielsen: I was, if the question period is over.

Madam Speaker: Yes.

Mr. Nielsen: I was going to rise to ask a supplementary question.

Madam Speaker: I think we will hear the hon. member for Yukon.

* * *

INCOME TAX

REMISSION ORDER RESPECTING TAXATION OF NORTHERN BENEFITS

Hon. Erik Nielsen (Yukon): Madam Speaker, my question is supplementary to that which was asked by the hon. member for Prince George-Peace River, and it is directed to the Minister of National Revenue. Has he received any recommendation from any of the officials of his or any other government department that his remission order with respect to the taxation of northern benefits not be renewed beyond the existing taxation year?

Business of the House

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, the answer was really contained in the question of the hon. member for Prince George-Peace River, in that he said there were officials from a number of departments working on this issue. I think it is fair to say that recommendations and a brief on the total issue have been given to myself, the Minister of Finance and other ministers of the government reviewing the situation, and at such time as there is a change in policy that will be announced in the usual way.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, October 21, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I have the usual question on House business. I presume we will be carrying on for the remainder of this week with Bill C-48, and that in all probability we will be carrying on next week with Bill C-48 as well. That seems to be the intention of the government. I wonder whether the government House leader would confirm that.

Secondly, it would appear that November 10 will be the likely date of a budget. The first estimate was the end of October, then it was November 3 and now it is November 10. Assuming that is going to be the date of the budget, I have had several members approach me with respect to the time-honoured practice of this House to adjourn for the Remembrance Day weekend in time to permit members to attend Remembrance Day ceremonies in their ridings.

The government House leader will know that certainly those of us who live in the far west will not be able to get home at all for Remembrance Day ceremonies if the budget, indeed, is to be presented on November 10. Is there any arrangement the government is considering which might ensure a continuation of that practice so the veterans of this country will not be slighted by our being kept here for November 10?

The third question I have for the House leader has to do with the motion standing on today's Order Paper in the name of the hon. member for Wellington-Dufferin-Simcoe:

That the Eighth Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Tuesday, June 30, 1981, be concurred in.

I was informed by the hon. member after I came into the House for the question period that he has been requested by that committee to bring on that report for discussion this week. While I can understand the impossibility of that occurring this week, I have also been asked by the hon. member, who is co-chairman of that committee, to determine if it would be possible to accommodate a debate on that report next Monday. The House leader knows we had a brief discussion on this just prior to two o'clock, but it was not until after two o'clock that I learned for certain that the hon. member for Wellington-Dufferin-Simcoe, who is co-chairman of the committee, had been specifically requested by his committee to bring that report on this week.

I wonder if the government House leader might cover those three points.

[*Translation*]

Mr. Pinard: Regarding the first point, Madam Speaker, yes, we intend to continue considering Bill C-48, the Canada Oil and Gas Act, today, tomorrow and during most of next week, and we hope to conclude the debate before the end of next week. In any event, the order of business is always subject to change, prior notice being given, and in this respect, my hon. colleague should know that the schedule may be changed at any time, if necessary, to end the debate on the Constitution. Normally, unless there is a change in the order of business, which is the government's responsibility as my colleague is well aware, we should be dealing with Bill C-48 today, tomorrow, and during most of next week.

As far as Remembrance Day is concerned, the hon. member is aware that under the Standing Order 2(3), the House does not sit on Remembrance Day. This year, November 11 is a Wednesday. I am told that most ceremonies to honour our veterans take place on the preceding Sunday.

An hon. Member: Yes, but not for the veterans—

Mr. Pinard: Regarding the request for the committee report, request No. 8 by the member for Wellington-Dufferin-Simcoe (Mr. Beatty), I have explained several times that in view of the business on the Order Paper and the many measures this Parliament must consider, under Standing Order 18(2), the government intends to use its prerogative to select the subjects to be debated each day, except of course on the opposition days the government is required to allow. So if the hon. member wants to discuss the report, even if it is at the request of his committee, we shall have no alternative, as I have already explained to him and to the predecessor of the member for Yukon, but to introduce a motion either to adjourn the debate or to proceed with the orders of the day, so that the government can deal with its legislative program and priorities, as provided under the rules of the House.

Once more, I am surprised this matter is being raised again, since at this stage of the session we have no alternative but to pressure members to expedite the government measures listed on the Order Paper. Again, I would ask the member for Wellington-Dufferin-Simcoe to be patient and not to make

members of all parties be here until five o'clock on Fridays and at two o'clock on Mondays, which would be the case if it were necessary to introduce a motion that could come to a vote, to enable the government to deal with government measures on the Order Paper. Well, we are having a frank and open debate on the floor of the House, and I am asking the hon. member to be patient, because as I have often said, and I say it again today, the reports prepared for us by the committee which is looking into the regulations in general have an impact on the committee system and also on future parliamentary reform, an impact which may be more or less direct depending on the circumstances, and I think it would be unwise and premature to discuss these reports before we negotiate certain changes in the Standing Orders of the House of Commons during the next few months. In the circumstances, my answer must be no, we are not prepared to consider the reports of this committee at this time, in view of the circumstances I have already mentioned which are very real, and as a result of which the government must consider as much of its business as possible to expedite the items on the Order Paper and start a new session as soon as possible.

[*English*]

Mr. Nielsen: Mr. Speaker, the government House leader is labouring, as is probably the Minister of Finance, because he is not a veteran, and I mean no inference by that remark—

An hon. Member: Shame!

Mr. Nielsen: Don't say "shame". The hon. member opposite with the backwards collar who is interrupting is not a veteran either, I do not believe. But veterans consider this day extremely important, almost sacred, to them. I can assure the government House leader that Remembrance Day is held on the eleventh, and unlike many other holidays which might be celebrated on a Monday or Friday simply because they fall in the middle of the week, Remembrance Day is a single exception to that rule. It has never been held on other than November 11.

● (1510)

Many of us who are veterans want to go home to attend Remembrance Day ceremonies but we cannot possibly do so if we are prevented from leaving here until ten o'clock Tuesday night. We have either to stay here and listen to the budget or leave to join our veterans.

I am sure the government would want to accommodate the veterans' organizations under whose jurisdiction these ceremonies fall. I am also sure that many members, both veterans and non-veterans, want to participate in these ceremonies.

Mr. Beatty: Madam Speaker, would the government House leader clarify his response with regard to the report of the Standing Joint Committee on Regulations and other Statutory Instruments? The minister made reference to parliamentary reform. Is he aware that the report my hon. friend from Yukon was alluding to had nothing to do with parliamentary reform but was, in fact, a report on VIA Rail recommending the government bring forward legislation to create VIA Rail in line with the recommendations which you, Madam Speaker, made earlier this year in this House with regard to legislative items and the appropriation votes. The report has nothing to do with parliamentary reform; it is a standard report from the committee.

[*Translation*]

Mr. Pinard: Madam Speaker, regarding the last question, I would remind the hon. member that there are three reports under his name on the Order Paper, and if the report to which he is referring has no connection with parliamentary reform, at least one of the two remaining reports does have an impact on this matter and also appears on the Order Paper. In any case, if a report is connected with parliamentary reform, consideration of the report should be postponed until the matter of parliamentary reform is addressed, perhaps during the next few months, and as for the other committee reports, the government prefers, as is its prerogative, to deal with government measures first because of the time factor. So the same answer applies in both cases.

Regarding Remembrance Day, Madam Speaker, I do not know what the custom is in the riding of my colleague for Yukon (Mr. Nielsen), but I can say that in my own constituency and in those of most of my colleagues here, that day is observed on the preceding Sunday. The laying of the wreath at the war memorial, a ceremony I make a point of attending, takes place on the preceding Sunday. In any case, if I understand correctly, the hon. member does not want the House of Commons to be in session on the 11th, the 10th, the 9th, the 8th and the 7th. In the circumstances, and since this year November 11 falls right in the middle of the week, on a Wednesday, we shall follow the Standing Orders of the House and the House will not sit on November 11.

[*English*]

Mr. Deans: Madam Speaker, first I want to comment on the possibility of extending the House recess to accommodate Remembrance Day. I hope the fact that this discussion is taking place on the floor does not harden the position of the government House leader. Although there may be a number of Legions and other veterans' associations who hold their Remembrance Day services on the Sunday, there are still many who hold these services on Remembrance Day.

An hon. Member: The majority do.

An hon. Member: About 90 per cent.

Mr. Deans: An hon. member to my right tells me it is 90 per cent. I cannot quarrel with that, but I am prepared to admit that it is many.

Rather than get into a fixed position from which we cannot move, perhaps the government House leader would agree to take the matter under advisement for the moment and we could have further discussion to determine whether there may

be some way to accommodate those members who must travel a considerable distance as well as the government's desire to proceed with House business in an orderly way.

I would also like to know the government House leader's position on bringing forward the amendment to the Canadian Human Rights Act which was promised in the throne speech. This amendment hopefully would end discrimination against the handicapped. This is a matter of considerable importance, especially during this International Year of the Disabled. We are getting close to the end of the year and I had hoped to see that amendment come forward. Although there is a great deal of business on the Order Paper, I do not think we should allow those things to interfere with a commitment made by the government in the Speech from the Throne.

Therefore, Madam Speaker, on those two matters—the Human Rights Act amendment and the decision on the Remembrance Day recess—I ask that the House leader defer a decision pending further discussion privately.

[*Translation*]

Mr. Pinard: Madam Speaker, regarding the last part of what the hon. member has just said, I will consider his suggestion and see what can be done. Regarding the first few words said by my hon. colleague, the flexibility and diplomacy he has demonstrated were doubtless inherited from his illustrious predecessor, and I am quite willing to postpone making a definite decision at this time to consider his request regarding Remembrance Day. I am told that although it is the custom in Quebec to celebrate this occasion on the preceding Sunday, the situation may be different in other parts of the country, and I think the members on the opposite side were ill-advised to take offence because I mentioned the practice followed in Quebec. Now I myself have not commented on the practice followed in other parts of the country. I am prepared to look into this.

Perhaps this debate is purely academic—the budget may be brought down on November 3. There is still a possibility that if the budget is not brought down on November 3 but on the 10th, we shall have to deal with the matter. I intend to look into this and see whether the House could extend its sitting hours at other times, or whether we should apply the Standing Orders, but I do not intend to make any firm commitment at this time that I shall accede to the wishes expressed by my colleague and by the member for Yukon and discuss the matter. I am quite willing, but I do not want to give the impression that the budget will not be brought down on November 10.

[*English*]

Mr. Hnatyshyn: Madam Speaker, I also want to ask the government House leader about the legislative intentions of the government with respect to the Human Rights Act amendment. I have, in fact, spoken with the Minister of Justice and indicated to him my party's concern about this legislation and the amendment to the Canadian Human Rights Act promised in the Speech from the Throne.

I attempted to be recognized today to ask the Minister of Justice when this legislation would be forthcoming. I was unable to get recognition—I make no comment on that—but I think the government House leader, in planning House business, can rest assured that we in this party are interested in the expeditious passage of that amendment which would put disabled persons in Canada under the Canadian Human Rights Act under the jurisdiction of the Human Rights Commission.

The government House leader should take seriously, in this International Year of the Disabled, the recommendations of the all-party committee of this House to bring forward this amendment, to deal not only with discrimination practised against the physically handicapped with respect to goods, services, facilities and accommodation, but to expand that amendment to include those who are mentally handicapped. I am sure the hon. gentleman's parliamentary secretary could clearly advise him on the content of the report.

We in this party, as I am sure all members of this House, have an interest in the expeditious passage of these amendments, especially during this Year of the Disabled. I hope the House leader will make serious attempts to bring this matter forward at an early date.

Mr. Kempling: Madam Speaker, a very short intervention on the matter of November 11. The minister should be aware that every country which was involved on the allied side in World War II observes November 11 as a national holiday. He should be aware of that, and to suggest that we in this Parliament will not recognize it as a national holiday is a departure. Every year since I have been here—this is my tenth year—we have recognized Remembrance Day on November 11, and I urge the minister to reconsider that fact when he is reconsidering the intervention of the hon. member for Hamilton Mountain.

• (1520)

Mr. Pinard: Madam Speaker, I would not like the people of this country to be misled by the hon. gentleman, who obviously was not in the House or, if he was in the House, was sleeping as usual.

Mr. Siddon: That is an insult.

Mr. Pinard: What I said was that on November 11 the House in any case will celebrate that very important day and that the House of Commons will not sit, as provided for by the Standing Orders. That is exactly what I said, and I deplore the fact that the hon. gentleman did not understand or did not want to understand what I said very clearly, which was that in any case on November 11 the House of Commons will not sit.

Mr. McKenzie: Madam Speaker, dealing with House business, I wish to make a plea to the government House leader with respect to changing the budget date. There are other days in the month of November. Surely to goodness the minister can find some other date. I want to point out to the government House leader that services will be held at the cenotaphs of cities all across Canada on Wednesday, November 11 and

that services are held by the Army and Navy and Legions on November 11. Members of Parliament are expected to be there. They are invited to be there. This is an insult and a slap in the face to every veteran and veterans' organization across Canada.

It is ironic that we just received a report from the Senate respecting problems within the Department of Veterans Affairs. The report is entitled "They Served, We Care". Perhaps the Liberals should change that to "They Served, the Liberals Don't Care".

Will the minister reconsider that date?

Mr. Pinard: Madam Speaker, I think my hon. colleague must have been away too. He totally misunderstands the situation. He says it is an insult and a slap in the face, and he is all red. I wonder why he is so upset.

I want to be very clear, and I will speak his own language. What I said was that I was willing, even if the House of Commons in any case does not sit on November 11, to consider the possibility of accepting the request made by his colleagues and that we would look into additional hours for sitting on other days, if necessary, but that I was not in a position at this time to give a clear commitment on the part of the government.

Furthermore, I said that maybe this discussion is purely academic since the budget might well be on November 3. We do not know yet, it is too early.

I have shown some flexibility. I have shown some willingness to negotiate and discuss this situation. I merely stated what happens in Quebec because in Quebec there is a practice that we celebrate this on the previous Sunday. I recognize that that is not the case in my hon. colleague's province, but by saying what I said I did not slap anyone in the face, and that was not an insult to anyone. I was just talking about the facts.

All I am saying is that I want to be flexible and look into the situation. I do not think the hon. gentleman should be upset because of this. On the contrary, he should be much more courteous and accept that we on this side are willing to take into consideration all reasonable suggestions which are made by hon. members on the other side of the House.

Mr. Kempling: You get courtesy if you give courtesy.

Mr. Friesen: Madam Speaker, I rise on a point of order to address a question to the government House leader. Perhaps it is time to ask a question about the charitable organizations bill which was tabled by the government early in this Parliament. I would like to know the mind of the government with respect to that legislation and what kind of plan the government has to bring that bill forward for discussion and debate.

Mr.Pinard: Madam Speaker, all the bills on the Order Paper are important to the government and the country, and I am willing to discuss a good timing for any one of them with the hon. member's House leader.

[*Translation*]

PIPELINES

CONSTRUCTION OF ALASKA GAS PROJECT

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): On a point of order, Madam Speaker.

Madam Speaker: The hon. Minister for Energy, Mines and Resources on a point of order.

Mr. Lalonde: Madam Speaker, earlier during the oral question period, I answered a question by the hon. member for Western Arctic (Mr. Nickerson) and indicated that the American government had, since the speech made by the Hon. Mitchell Sharp, brought certain amendments before Congress.

[*English*]

I would not like to mislead my hon. friend. The speech—

Mr. Nielsen: Madam Speaker, I rise on a question of privilege.

Madam Speaker: Someone already has the floor. Does the hon. member wish to speak on a point of order or ask a question or something? The hon. member said "a question of privilege". I can hear a question of privilege later.

Mr. Nielsen: Madam Speaker, a question of privilege is normally heard at once. It is normally heard as soon as it arises because of the abuse of the rules of the House going on on the other side. I rise on a question of privilege affecting the rights of all hon. members. When we on this side of the House have attempted to do what the minister is doing now, we have always been sat down, and I do not think this sort of conduct should be permitted by the Chair, nor should it be engaged in by ministers. If there are any explanations to be made with respect to the minister's answers today, they can be made on statements on motions or at whatever appropriate time tomorrow.

Mr. Lalonde: Madam Speaker—

Madam Speaker: I am listening to a number of points or order. I do not know ahead of time what they will be about, so I allow people to express their points of order. Anyone can raise a point of order at this time—

Mr. Nielsen: We know what they are about.

Madam Speaker: —just as anyone might raise a question of privilege arising from the deliberations. I think what the hon. member for Yukon was doing was raising a point of order on the point of order raised by the minister.

Mr. Nielsen: It was a question of privilege.

Madam Speaker: Yes, but I think it was, rather, a point of order.

Mr. Nielsen: No, it was not.

Madam Speaker: I have listened to the hon. member, who protests the fact that the minister is raising a point of order. However, the minister is allowed to raise a point of order, and I will recognize him.

Mr. Lalonde: Madam Speaker, I cannot understand why the hon. member for Yukon should make such a fuss because I have not even had time to state what my point of order is.

Mr. Nielsen: You are correcting an answer.

Mr. Rossi: Listen and learn, Nielsen.

Mr. Lalonde: Madam Speaker, I indicated in my answer that it was important to treat each other with fairness and honesty. I am afraid that in my answer I indeed may not have spelled out all the facts. I indicated that the Hon. Mr. Sharp had made a speech after the—

Madam Speaker: Order, please. I thought the minister wanted to correct a figure or something he said in the course of question period. I might have allowed that, but I believe the minister is now trying to extend the answer which he gave during the question period. That is quite legitimate, but he cannot do it at this time. He might do it when he is asked another question on another occasion.

Mr. Nielsen: Stop abusing the rules.

* * *

BUSINESS OF THE HOUSE

Mr. Robinson (Burnaby): Madam Speaker, I rise on a point of order relating to House business. I have two questions. First, I will ask the President of the Privy Council, the government House leader, to indicate to the House the status at this time of a very important bill, Bill C-53, which would redefine rape as a violent assault rather than a crime of passion. This is a bill for which Canadian women have been waiting a long time. We on this side of the House have indicated our desire to see the bill go to the Standing Committee on Justice and Legal Affairs quickly where a number of important amendments could be made. I cannot imagine that the Conservative party would wish to hold up such an important bill.

Mr. Paproski: Shame!

Mr. Robinson (Burnaby): We can hear from the justice critic of the Conservative party as to whether the members of his party are willing to co-operate on this bill. We can hear from him as soon as I sit down, but in the meantime I will ask the government House leader whether he is prepared to bring the bill forward at an early date in order to ensure that it gets to committee. I am sure the Conservative party will want to co-operate in seeing that the bill goes forward very quickly that day.

Mr. Hnatyshyn: No question.

Mr. Robinson (Burnaby): My second point relates to the question of Remembrance Day. I for one appreciate the flexibility which has been shown by the government House leader in response to interventions made on this side of the House. I am a British Columbia member, and the government House leader should be aware of the fact that I must be back in British Columbia at eleven o'clock on Wednesday morning. In order to do that I have to go back the previous day. I am sure that is the case with a number of British Columbia members. I trust that the minister will take that into careful consideration when deciding how to approach the way in which we honour the veterans of past wars.

As to the matter of Bill C-53, a matter which, as I say, is of great importance to Canadian women, when can we expect that bill to be called?

• (1530)

[*Translation*]

Mr. Pinard: Madam Speaker, if we could reach an agreement with the two opposition House leaders, we could dispose of this by next Friday, provided there is one spokesman for each party and the bill is referred to the Committee on Justice and Legal Affairs, which will require the co-operation of both opposition parties. This is one of the bills appearing on a list of bills being considered by the House leaders, bills which are assumed to be non-controversial and which could be disposed of on a Friday afternoon. So I am quite willing, as I have done before, to include the bill in the list of measures that could be disposed of on a Friday afternoon within the next few weeks.

[*English*]

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I welcome the show of flexibility in the House leader. I hope that in the exercise of that flexibility he will recall that it was the Prime Minister who was first to suggest that budget day might be on the tenth and he should bear in mind at the same time that it demonstrated both a contempt for this House and a contempt for the veterans of this country by the Prime Minister who, of course, refused to serve in Canada's forces during the war.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): Second, he should try to bear in mind that there is no need for the Minister of Finance to be at the meeting of first ministers. The first ministers can meet at the same time as the budget is being read in this House.

The third point has already been mentioned by the hon. member for Burnaby—

An hon. Member: That is not a question of privilege.

Mr. Munro (Esquimalt-Saanich): No, it is not a question of privilege, it is a point of order. Third, I hope that in the exercise of his flexibility he will take into account the flight schedules between here and the west coast. Many of us cannot

leave on the morning of the eleventh and reach our homes in time for the ceremonies on the eleventh. Many of us cannot do so if we leave after seven o'clock the night before. It would be a sign of the same respect we have for the budget of this country and for this government if this side stayed away entirely from the budget speech, which we will read in the paper anyway.

Mr. Pinard: Madam Speaker, I remind the hon. member that all of the excellent legislation that was passed during the last months and years for the benefit of veterans and their widows was strongly recommended and supported by the Prime Minister of Canada.

Some hon. Members: Hear, hear!

Mr. Pinard: In so far as the hon. member's concerns about flight schedules are concerned, in taking into consideration the request made to me today, I will be sure to look at all schedules to British Columbia. I remind him that most of my colleagues from the province of Quebec must drive to their constituencies much of the time. It takes them longer to get to their constituencies than it does for the hon. member to get to British Columbia.

Mr. Deans: Madam Speaker, I never cease to be amazed at what can cause political conflict. I hope that the House leader for the government will, as he said earlier, consider the matter and let us know what he decides. I hope he decides to do something about accommodating the needs of members. I do not want to conduct House business on the floor of the House, but with regard to Bill C-53 we would be quite happy to have one speaker on a Friday.

[*Translation*]

Mr. Laniel: Madam Speaker, I would just like to say a few words as the member for Beauharnois-Salaberry and as a veteran. First of all, I want to point out that the hon. member for Winnipeg-Assiniboine does not have to tell me anything about veterans, because I am just as motivated as he is. The comments he made just now were an insult to me and to all French Canadians, to all Quebecers and to all members on this side of the House. And the same goes for the hon. member for Edmonton— I think this remark should be withdrawn as far as I am concerned—

[*English*]

I care for veterans just as much as he does.

[*Translation*]

Madam Speaker, if we ignore the initial aggressiveness of the comments made by the hon. member for Esquimalt-Saanich, toward the end I think he realized that we have open minds on this side of the House. I myself had a few words with my hon. minister just now and I tried to explain to him that although in Quebec the ceremony is on Sunday, elsewhere in Canada the custom is to celebrate this occasion on the same day, November 11. I have on occasion been obliged to stay here in Ottawa because November 11 was on a Thursday and there was no Standing Order authorizing members to take the next day off if the holiday happened to be on Tuesday or Thursday.

In any case, Madam Speaker, I hope the unpleasant aggressiveness displayed by the Progressive Conservative Party, but not by the New Democratic Party, will be allowed to disappear. We shall wait for the dialogue announced by the President of the Privy Council and I trust a solution will be found.

[*English*]

Mr. Taylor: Madam Speaker, with regard to Bill C-53, I respect the comment by the hon. member for Burnaby, but he has already spoken. Many of us have received representations from our constituents. It is not fair ball suddenly to close off the debate, particularly when it is suggested by somebody who has already spoken. I agree we have to move ahead quickly, but let us not deny members the right to voice the views of those who sent us here.

ROUTINE PROCEEDINGS

[*Translation*]

AVIATION SAFETY

TABLING OF REPORT OF DUBIN COMMISSION OF INQUIRY

Hon. Jean-Luc Pepin (Minister of Transport): Thank you, Madam Speaker, for raising your voice so that I could hear you. I wish to table, in both official languages, the Report of the Commission of Inquiry on Aviation Safety, also known as the Dubin report. I should mention here that the third report will likely be submitted by the end of the year, at least I hope so.

* * *

[*English*]

PETITIONS

MR. PAPROSKI—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I beg leave of the House to lay upon the table a VIA Rail petition of 4,100 names gathered in Edmonton, organized by the Canadian Brotherhood of Railway Transport and General Workers who are dissatisfied with the decision of the Minister of Transport (Mr. Pepin) by order in council to cut back VIA lines.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,105, 2,402, 2,447, 2,654, 2,655, 2,688 and 2,705.

[*Text*]

HERD MAINTENANCE PROGRAM

Question No. 2,105—**Mr. McKnight:**

1. What was the number of applications (a) received (b) approved from the provinces of (i) Alberta (ii) Saskatchewan (iii) Manitoba under the herd maintenance program and, for each province, what was the total dollar amount approved?

2. What was the average period of time in terms of days between the time applications were received from each western province and the time when application approval and funding was sent out to each province?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

1.

	(a) Applications Received	(b) Applications Approved	(c) Total Amount Approved
(i) Alberta	2,537	530	$ 972,184
(ii) Saskatchewan	18,156	11,098	17,800,674
(iii) Manitoba	9,180	7,084	12,535,433

2. Applications from all provinces were processed centrally in Regina. Average time between receipt of application forms and mailing of assistance cheques was 44 days.

NATIONAL MUSEUMS OF CANADA

Question No. 2,402—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the National Museums of Canada and, by province, what amount was granted to regional museums by the National Museums?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. Funds voted by Parliament to the National Museums of Canada in each of the past five years:

1976-77	1977-78	1978-79	1979-80	1980-81
		(in millions of dollars)		
42.5	45.7	55.2	50.1	53.3

2. Amounts granted to regional museums by the National Museums of Canada:

	1976-77	1977-78	1978-79	1979-80	1980-81	Total
B.C.	1,584,714	350,322	690,530	726,331	781,599	4,133,496
Alta.	524,204	513,300	549,500	634,327	655,300	2,876,631
Sask.	439,223	181,190	351,450	353,472	450,307	1,775,642
Man.	652,990	314,100	552,006	537,451	671,050	2,727,597
Ont.	426,592	474,200	495,508	461,300	417,795	2,275,395
Que.	640,030	292,500	1,062,000	435,470	488,150	2,918,150
N.B.	446,019	143,944	243,300	267,300	254,800	1,355,363
N.S.	224,570	261,600	262,359	246,000	396,050	1,390,579
P.E.I.	108,300	53,400	59,100	60,000	56,500	337,300
Nfld.	228,293	276,227	163,300	159,900	204,300	1,032,020
Total	5,274,935	2,860,783	4,429,053	3,881,551	4,375,851	20,822,173

The above figures are based upon the consideration of associate museums, those major museums and galleries in Canada which act in association with the National Museums of Canada to realize the goals of the 1972 national museums policy, as regional museums.

TELEVISION VIEWING TIME

Question No. 2,447—**Mr. Flis:**

What percentage of total television viewing time did children under 16 years of age spend watching foreign programs during each year 1975 to 1980 and what was the percentage for (a) English-speaking (b) French-speaking children?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Radio-Television and Telecommunications Commission as follows:

The percentage of viewing time devoted to Canadian and foreign programs by children Aged 2 to 17*

Total Day (6 a.m. – 2 a.m.)

Program Origin	Children 2 – 17					
	Anglophones			Francophones		
	1977 Per cent	1979 Per cent	1980 Per cent	1977 Per cent	1979 Per cent	1980 Per cent
Canadian produced	17	16	17	44	44	44
Foreign produced	83	84	83	56	56	56
All programs	100	100	100	100	100	100

* Bureau of Broadcast Measurement, fall of each year. Source: CBC Research. No report done for 1978.

NOTE: Information prior to 1977 is not available.

FULL-TIME UNIVERSITY STUDENTS

Question No. 2,654—**Mr. Herbert:**

Does the government record full-time university student enrolment by province and by province of permanent residence and, if so, was there a significant change in the past five years in the percentage of out-of-province students?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada records annually full-time university enrolment by province and by province of residence. For the last five years for which data are available (1975-76 to 1979-80) there has been virtually no change in the proportion of out-of-province students in Canadian universities. In each of the five years, the proportion has been approximately 20 per cent. There are some differences, however, by level of study. While the proportion of undergraduate students from out-of-province remained stable (17 per cent) the proportion of graduate students from out-of-province declined from 45 per cent in 1975-76 to 38 per cent in 1979-80. For variations by province, see table below.

Percentage of out-of-province university students by province, 1975-76 and 1979-80

	Undergraduate		Graduate	
	1975-76 Per cent	1979-80 Per cent	1975-76 Per cent	1979-80 Per cent
Newfoundland	8	7	42	49
Prince Edward Island	18	17	—	—
Nova Scotia	30	35	58	55
New Brunswick	27	31	44	50
Quebec	14	13	34	28
Ontario	16	18	46	38
Manitoba	17	17	41	41
Saskatchewan	14	19	55	60
Alberta	17	16	53	45
British Columbia	21	16	55	50
Canada	17	17	45	38

—Not applicable. The University of Prince Edward Island does not have graduate programs.

UNIVERSITY STUDENT FEES

Question No. 2,655—**Mr. Herbert:**

1. Does the government record the level of student fees at universities?

2. Does the Canada student loans program provide assistance to university students adversely affected by preferences in provincial funding programs?

Hon. Gerald Regan (Secretary of State): 1. Statistics Canada publishes an annual booklet entitled "Tuition and Living Accommodation Costs at Canadian Universities" (Catalogue No. 81-219) which sets out the level of student fees at universities.

2. The maximum loan limits under the Canada Student Loans Act apply to all Canadian students who can establish a need for financial assistance. While the level of provincial funding, and hence the amount of Canada student loan element in the aid package, varies, all provinces, with the exception of Québec which has opted out of the program since its inception, provide Canada student loan aid to the maximum permitted by the act where the need for such aid is established.

PURCHASE OF FEED PELLETS

Question No. 2,688—**Mr. Stewart:**

Did the Department of Regional Economic Expansion purchase feed pellets valued at $16,000 from Federated Co-operative Ltd., Brandon and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): A contract in the amount of $16,000, was awarded by the Department of Supply and Services, on behalf of the Department of Regional Economic Expansion, to Federated Co-operative Ltd., Brandon, Manitoba for the supply of "bull feed" pellets to be used to feed cattle at the St. Lazare Bull Station, seven miles north of McAuley, Manitoba.

BABCOCK MOTOR BODIES LTD.

Question No. 2,705—**Mr. McKinnon:**

Was a contract let to Babcock Motor Bodies Limited, Toronto for $812,851, for "vehicular furniture and accessories" and, if so, what is the furniture and what are the accessories?

Hon. J.-J. Blais (Minister of Supply and Services): Yes, a contract was awarded by the Department of Supply and Services, on behalf of the Department of National Defence, to Babcock Motor Bodies Limited, Toronto, Ontario, for $812,-851, for the fitting of "vehicular furniture and accessories" which comprise of the following:

(a) Pintle hooks (accessories)

(b) Metal superstructures and tarpaulins (accessories)

(c) Aluminum caps (accessories)

(d) Removable fold-down bench seats (furniture)

(e) Winches (accessories)

(f) Undercoating (accessories)

A total of 353 DND vehicles are being fitted in various configurations with the above items.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Mr. McKinnon: As you know, Madam Speaker, I seldom rise at this time to question the abilities of the parliamentary secretary. However, I have asked a couple of questions on forces' aircraft being used for the transporting of cabinet ministers and others. One has been on the Order Paper since January 27 and the other since May 21. The question of January 27 asks the cost of the Prime Minister's trip when he got lost in Austria, and the second question is regarding the number of times the Falcon jets have been used.

I do not know what the policy of this government is about the costing of aircraft trips, but on the other question, I was surprised to see the answer to a question by the hon. member for Leeds which was tabled in this House on October 16. The answer to question No, 1,996 indicated:

● (1540)

The list of executive aircraft used by cabinet ministers, as approved by the Minister of National Defence, in accordance with the guidelines outlined in question No. 169, will be available on a monthly basis effective October, 1981 (on request).

It is now October 1981. My requests are in question No. 2,035 on January 27, and question No. 2,519 on May 21. When will I receive my answers?

Mr. Smith: I will take note of that representation and look into the matter.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURES RESPECTING OIL AND GAS INTERESTS

The House resumed, from Wednesday, October 21, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 7, 8 and 9 (Mr. Andre for Mr. Wilson), Motions Nos. 10, 11 and 12 (Mr. Skelly), Motions Nos. 13 and 15 (Mr. Andre for Mr. Wilson), and Motions Nos. 16 and 41 (Mr. Skelly).

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, at this time, I should like to speak to the amendments before the House this afternoon. It is my intention to participate in the debate on the amendments, but since this is the first time I am speaking on the bill, I should like to give you a few impressions that I have gained from serving on the committee which led to the report stage in the House.

All hon. members on both sides of the House agree this is a very important bill. I happen to think some aspects of the bill are more important than the Constitution, Mr. Speaker. At this particular time we are debating this bill with indecent haste because, in the government's view, they have other priorities. We have to dispose of these mundane things in order that we may deal with the Constitution and with matters relating to the economy. People throughout the country are beginning to be very suspicious about the constitutional matters. With the Constitution being thrown in every time we are discussing something of importance, the people are beginning to get the feeling that they are engulfed in a smokescreen to disguise the real intentions of the government and some real, important issues.

Bill C-48, Mr. Speaker, will establish a pattern of government behaviour which will have far-reaching consequences and effects. I am not overly concerned or frightened when foreign countries make comments on what we do here, but it concerns me when our colleagues or counterparts in the United States, senators and congressmen, go to visit the President and demand that certain laws in the United States be enacted, laws which would have the effect of bringing reciprocal action to the kind of measures proposed in Bill C-48. In the history of western countries—at least not within the time we have participated in the association of western economies through OECD—there has never been a precedent where a government would go wantonly and deliberately and confiscate the assets of private corporations—and I am using the word "confiscate" advisedly—regardless whether these assets belong to companies of a domestic or Canadian origin or are of a foreign nature. That kind of approach to economic nationalism is one we cannot expect our trading partners and associates in the economic world, at least in the western economic world, to live with or put up with.

The United States has an act known as the 1948 Minerals Act. Under that act, upon the evidence that a foreign country is acting against United States companies operating in that foreign country, the administration is compelled to initiate immediate reciprocal action. We can only speculate what that reciprocal action might be eventually. I hope it is no secret to any hon. member of the House or to anyone listening outside that there are all kinds of Canadian companies operating in the United States and in other economic theatres throughout the world. Indeed, our national oil company operates in the North Sea. It is planning to go to Senegal. It is planning to go to the South China Sea. It is planning not only to be a window to the energy sector in Canada, but it is planning to be a window and a partner among multinational companies operating throughout the world. I would assume that if Petro-Canada had any intention to operate in the United States, we would expect some of their assets, which are the assets of Canadian taxpayers, might be confiscated there. Bill C-48 basically does this.

I served on the committee, Mr. Speaker, and at no time in my nine years of experience in the House have I been presented with a bill in committee that was so shoddily drafted in the first go around. Bill C-48 has 85 clauses in it. The government tabled 115 amendments to the 85 clauses in the bill.

An hon. Member: Flexibility.

Mr. Oberle: Flexibility, my hon. friend says. The government took no care at all. They were flying by the seat of their pants. They were testing the waters. They were flying some kites. Both opposition parties made a number of amendments.

We had every reason to believe and expect that the government would bring in measures to regulate the oil and gas industry. For the last ten years, the industry has been very anxious to learn what the measures would be. We have been questioning the government as to when they would bring in measures which would bring about stability to and confidence in the energy sector, confidence that was required by the oil companies. Serious decisions had to be made in order to maintain some kind of energy self-sufficiency in our country. After 1973, that had been lost and measures had to be taken to regain energy self-sufficiency. We are told by the government it will cost between $300 billion and $500 billion today to regain energy self-sufficiency in our country. Several multinational oil companies have to know what the government's intentions are with respect to land use policies in the north and with respect to regulations in the north that would affect their decisions.

The oil companies now know, if they are of foreign origin, that they are no longer operating in Canada under the same rules. If they are of foreign origin, irrespective of their contribution or the work they have done in our country before, irrespective of the pioneering spirit exhibited by the multinational oil companies, who came mostly from the United States, in developing our energy sector in the first place, they are now no longer wanted; and if they want to operate in Canada, they have to have at least 50 per cent Canadian ownership before

the minister will consider giving them a licence to operate on federal lands.

There are some companies of a multinational nature operating in our country who are solely-owned subsidiaries of other companies based in the United States. They appeared before the committee. We questioned them about their intention to rebuild their corporate structure to accommodate the government's new nationalization policy. Some of them told us that they would have serious difficulty meeting deadlines or with their shareholders in light of some of the minister's comments before the committee. In fact one member of the New Democratic Party was known as "the hon. member for Norway", because he always talked about Norway. But Norway never confiscated any private assets. It did certain things which the minister and "the hon. member for Norway" liked. Incidentally "the hon. member for Norway" comes from British Columbia. He said that Norway insisted upon 85 per cent government ownership in its oil industry. The minister was asked when he would realize this and attune his policies to such a trend. The minister answered, "This is just the beginning; give us time".

If I were a member of the oil industry, this would indicate to me that he may confiscate 50 per cent of my assets; but if I continue developing new wells, it may be more later on. This is not the kind of climate in which I would make any investment if I were a foreign or domestic oil company because I would fear, particularly now it has been clearly established that Canadian ownership means government ownership, that as soon as the multinational companies were chased out of the country I would probably be the next target of the government.

• (1550)

This bill is not just another piece of legislation. It is a doctrinaire expression of the government's definition of economic nationalism. I do not understand why our friends in the NDP are so upset with the government. As a matter of fact, Bill C-48 and the general energy policy of the government are precisely what the NDP requested—nationalize the oil sector. If they do not have the courage to do what socialists and communists like to do, namely, to assume government ownership of the tools of production, the next best thing is for the government to obtain ownership and control of the fuel which drives the machines and the tools of production.

The NDP should be quite happy about what the government is doing. One member of that party rose during question period today and said that the bad Americans were considering reciprocal action. Imagine what it would do to the Bronfmans, the great multinational whisky dynasty, if they were told that they would require a 50 per cent partnership in their U.S. operations. That might not be the end of it. The Americans might decide not to be compassionate and co-operative with us in the future when it comes to marketing our lumber and wood chips. The hon. member rightly expressed some concern because this has been suggested to the President by some lumber manufacturers in the western states. What would happen if the Americans decided to impose a 10 per cent white wood tax on spruce lumber? This is what the Japanese are doing in order to protect their sawmill industry. The effect in Canada would be that our industry, which produces $24 billion in export earnings every year, would be bankrupt, and the one million Canadians who are directly or indirectly associated with the lumber industry would probably end up eating bark off the trees. This is what would happen if the Americans chose the wood converting industries as a target for reciprocal action for what Canada is doing in the energy sector. Hon. members opposite may laugh, but when one sleeps next to an elephant one does not throw sand in its eyes every morning because, if it rolls over some night, one might find it very uncomfortable.

This is the reality of the matter. Also we are selling the Americans 60 per cent of our total lumber and wood fibre production, and 75 per cent of our industrial manufacturing capacity is traded with other countries. We cannot forever dump on them. We must realize that we live in an economic community, that we must trade with other countries in order to keep working, to pay wages and to make demands on the industrial sector as the unions normally do respecting higher wages and better working conditions. This is a legitimate pursuit, but it must be backed up by an industrial base. Our industrial base rests upon our ability and our aggressive approach to international trade.

I do not know the number of submissions which were made before the committee, but every intervenor, whether it was a union, a corporation, an oil company, an independent petroleum association or anyone who felt affected in any way by this legislation, complained about Clause 10 of the bill, which gives incredible discretionary powers to the minister. If it is our intention to ensure that the legitimate Canadian interests are protected with respect to the environment and their aspirations in the area of developing new sources of energy, the minister must have some power and some discretion.

All we are saying in our amendment is that there should be some checks and balances and some accountability. We are not afraid of the minister. We take him on every once in a while and embarrass him in the House. We are more afraid of his bureaucrats and officials because they make decisions such as the recent one to phase out 25 per cent of the operations of VIA Rail. I suppose the officials and the bureaucrats received some direction. They were told to slice $100 million from their budget. The minister said, "I do not care how you do it; just tell me how and give me some arguments which will protect my hide when I am questioned in the House of Commons." They gave him some arguments which have not helped to save his hide. These are the types of things which can happen if a minister has excessive discretionary power.

We would like some accountability. We would like a built-in appeal procedure. Most intervenors would have liked to control the powers of the minister in other ways, but the minimum requirement would be that the government accepts some form of appeal procedure. For example, a company which is no

longer in the favour of the minister or his bureaucrats would have some other forum in which to express its legitimate concerns, in which it would be listened to, and if the concerns are correct, they could be redressed.

We will have a lot to say. Of course we served notice on the government. I personally walked out of the committee, as did some of my friends in the NDP, on the day when we were about half way through consideration of the bill and the government laid its 115 amendments on the table. The government had accepted all those amendments which needed to be accepted by the time we were half way through the bill. It became painfully obvious that the government was in no way inclined to accept any opposition amendments. I asked some of my colleagues on the other side whether it was the intention of government members on the committee to give any consideration to any opposition amendments and, if not, whether we could be informed so that we would not have to sit any longer through the rather childish and juvenile exercise of simply saying yes or no to whatever the government told us. Without any precedents of which I am aware, the parliamentary secretary admitted that he had orders from the minister not to accept any amendments from the opposition or even consider them, but simply to deal with the amendments the government had proposed.

Of course, this points out how seriously the parliamentary and committee processes are in jeopardy. That is why I walked out of the committee and why my NDP colleagues walked out with me. The government is stuck with this bill in the House. The amendments will be debated as we go along, but if the government has any illusion about getting the bill through the House before the Prime Minister (Mr. Trudeau) decides to sit down with the provincial premiers to discuss the Constitution, then it should think again.

• (1600)

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, it is with a great deal of pleasure that I rise to participate in the debate on Bill C-48. Certainly I must agree with my colleague the hon. member for Comox-Powell River (Mr. Skelly), who indicated on the last day we debated this motion that this is the most important economic legislation to be presented to this House in this session.

Before I develop the concerns the New Democratic Party has about this bill, I should like to respond to the hon. member for Prince George-Peace River (Mr. Oberle) who expressed alarm at the call for retaliatory action against the national energy policy voiced by some in the United States. I feel very strongly that the concerns expressed by the congressmen and state representatives in the United States about our national energy policy are misplaced. The reason that they are now questioning a number of the economic "flows" between Canada and the United States is because of the effects of their own monetary policies and the Reaganomics program.

Following closely on the heels of "Thatchereconomics", "Reaganomics" have attempted to jack up interest rates to levels which will curtail production in the United States as was the case in Britain. Unfortunately, it will appear that our own Minister of Finance (Mr. MacEachen) is following the same disastrous course. We in this party wonder how long it will take before they all realize the error of their ways.

It has become clear that things in Great Britain will get worse before they get better and it appears that the same thing will take place in the United States. We hope that the budget which is to come down on or about November 10 will reflect a new thinking, will depict a willingness on the part of this government to admit error and that it will introduce policies to stimulate our economy instead of driving it to its knees.

In the past few days I had the opportunity to participate as an observer in the Eighth International Symposium on Small Business which was hosted by the federal government. It was a first-class symposium, and I must toss an accolade to the Minister of State for Small Businesses (Mr. Lapointe) for the positive way in which it was organized. It resulted in some of the most progressive dialogue on small business that I have heard in a long time.

I listened with great interest to the Japanese and Korean delegations outline in considerable detail the relationships between big business and small and medium business in their countries. When we compare their achievements with our track record, it is obvious that we cannot begin to match what they are doing. Korea and Japan recognize that small business plays a very critical role in the economy.

When we look at the record of many northern and western European countries we see that for decades their policies have shown an understanding and appreciation of the role of small business in the regional, local and national economies. That is not the case in Canada. We now have, however, an opportunity to change this through Bill C-48. We have an opportunity to introduce a policy that would present a clear signal to the small business community of Canada that we appreciate the role it plays; that we are prepared to put legislation in place to encourage the development of the small business sector, to provide the initiative that it seeks from senior levels of government and to give a clear signal that it should forge ahead with the megaprojects that are associated with Bill C-48.

We are told that in the next decade energy investment is likely to exceed $210 billion. The Royal Bank of Canada reports that within the next 20 years in Canada expenditures of over $1 trillion will occur in the energy sector. It is interesting to note that the amount to be spent on equipment will total $67 billion, three times the amount spent over the last 20 years. This projection is for the next decade.

There is an excellent opportunity now for the federal government to bring in legislation through simple amendments to Bill C-48 that would assist small business in many ways. I must admit to feeling a great deal of disappointment as I read through the various clauses of Bill C-48 seeking a statement that would indicate a willingness on the part of the federal government to source goods and services from Canadian suppliers. After searching with a fine toothed comb, the best statement I could find was to the effect that an exploration agreement will be required which will require the holder, prior

to commencing any work program, to submit a plan satisfactory to the minister for the employment of Canadians and the use of Canadian goods and services in carrying out that work program.

We must ask what the reference to a plan for Canadian content satisfactory to the minister means. Is that the strongest statement we can make to point out clearly to the small business community in Canada that we want to assist it, particularly in these difficult economic times? What is meant by Canadian content? The most common definition, which is that used by the oil industry in Canada, is that Canadian content means that the source of supply is located in Canada—simply "located" in Canada. That allows the product to be classified as Canadian when purchased in Canada through a Canadian supplier, even though the product is manufactured in another country. In other words, Canadian content is really another term for the Canadian market.

The EEC definition of Canadian content is that the last point of manufacture is a domestic Canadian operation. But that is also inappropriate.

The kind of definition that I prefer would provide that Canadian content is present when you deduct the cost of imported components from the total manufactured cost of goods produced in Canada and establish a minimum level of Canadian content in the end product. This would enable purchases of foreign content to be isolated and would also isolate the level of foreign components in Canadian products. In other words, it would then enable us to conduct research to identify clusters of imports, to develop technology through agreements with oil companies and to acquire the Canadian research and development necessary to displace those imports.

The oil sands projects, the frontier and offshore oil and renewable energy technologies offer opportunities for Canadians to become world leaders. As we develop the Canada lands over the next two decades, there will be an excellent opportunity for Canadian entrepreneurs to develop technologies, to carry out research and development through production and to become world leaders in this whole new energy technology. We ought to be maximizing Canadian participation from the very start in these new markets. We ought to be maximizing Canadian participation in every single project possible.

● (1610)

Over the next decade, 63 per cent of energy investment will be in energy areas for which Canadian industry has evolved a degree of expertise in supplying principally utilities in the conventional oil and gas industry, including land-based field explorations, development, refining and pipeline construction. Future manufacturing opportunities will consist of expanding production capacity to meet rapidly expanding equipment requirements and in isolating those currently imported that could be currently manufactured in Canada.

Why do we not build into Bill C-48 a serious "buy Canada" procurement policy? While we see the buy America program that exists in the United States and the requirements that Norway, the United Kingdom and many developing countries have made, we nevertheless maintain our tradition of being exporters of raw materials and importers of finished goods. Here is an opportunity to build into legislation a buy Canada program that means something. As I indicated earlier, that would be a clear signal to Canadian entrepreneurs that as members of the House of Commons we are interested in assisting and encouraging them in recognizing the role they play in our economy.

Let us look at a couple of areas of expansion of exploration in the Canada lands to see to what extent the materials could be sourced in Canada. If we were simply looking at land-based operations, drilling rigs and the like, I think it would be fair to say that 70 to 80 per cent could be sourced within Canada. Of course, when one looks at the importation of foreign rigs in total in terms of fabrication and associated equipment, it is certainly not doing very much for Canadian manufacturers and suppliers. I suspect that for the new fabrication industry in the province of Alberta, a level of 80 or 85 per cent is not unreasonable, given the new developments over the last two or three years. When it comes to the refining industry, equipment and materials for new construction normally account for 40 to 45 per cent of total expenditures, the rest being for labour and engineering services.

Canadian capacity to supply this expertise and equipment is estimated to be at least 90 per cent. This figure comes directly from the corporate planning department of Imperial Oil Limited. Presently, however, less than 30 per cent of this equipment is manufactured within a Canadian context. It seems to me that not only Canadian manufacturers of refining equipment but Canadian engineering firms could take a closer look at the role they could play on these megaprojects. Canadian engineering firms have not played a significant role, and only a few of Canada's largest engineering firms are capable of providing the over-all management for these projects. Perhaps Canadian engineering consortiums should be encouraged by the government to meet the Canadian content in design specifications.

Pipeline construction is another area where Canada is obviously developing technology in which other countries around the world are becoming more and more interested. We have a 30-year history linking regions over hundreds and thousands of miles in some instances. Investment over the next ten years for pipeline work is estimated to be in the neighbourhood of $17.4 billion. While pipeline construction, labour, engineering and management is 90 per cent Canadian content at the moment, 85 per cent of construction equipment is imported into Canada. Large vehicles, such as pipe layers, bulldozers, side boom tractors, are all imported from the United States and overseas.

We are suggesting in our amendment that we build some teeth into this particular bill, teeth that would provide opportunities for Canadian manufacturers and, especially during these difficult times, provide Canadian jobs. Our motion, No. 10, which I will put on the record calls for a work plan to ensure that:

(i) Canadians have a fair and competitive opportunity to participate in the supply of goods and services to oil and gas exploration, development and production activities;

(ii) maximum advantage is taken of opportunities provided by gas and oil exploration and production to establish and expand industries in Canada which can make a long-term contribution to the Canadian industrial base;

(iii) Canadian and local content is maximized so far as practicable with respect to the origin of products, services and their constituent components;

(iv) Canadians be given employment preference is cases where suitably qualified Canadian citizens or landed immigrants are available. Where labour requirements are such that Canadian citizens or landed immigrants are not suitably qualified in sufficient numbers and the labour requirement is ongoing for the length of the agreement, the agreement holder will undertake to provide on-the-job training for Canadian citizens and landed immigrants in order to maximize as far as possible and reasonable, Canadian labour participation."

The significant unemployment figures in Canada today represented by all sectors of our employment base, from the most sophisticated professional areas to the every day labourer, are a crime. Yet so many of our projects which are taking place on Canada lands require imported expertise. This is certainly a slap in the face for our government and its on-the-job training, apprenticeship, research and development programs and the like.

We are suggesting that the holder of an exploration agreement should open all contracts having a value of $50,000 or more to public tender and submit in reasonable numbers invitations to bid to individual Canadian suppliers. Those bids should be evaluated in terms of the extent to which bidders use Canadian goods and services. We suggest also that the minister establish an advisory body, to be made up of representatives from Canadian labour, from major industries and from the oil and gas companies, to provide sourcing for offshore and northern exploration and production activities. This body would then make recommendations to the appropriate minister concerning the pace of exploration and/or production in Canada lands so that investment decisions, development work and facilities construction in Canadian industries participating in this exploration and production be given their due consideration. We are suggesting that the committee should also have the authority to recommend to the minister that approval of exploration agreements and production licences be delayed in order that benefits accrue to the Canadian economy.

To us these do not seem to be revolutionary, outlandish recommendations. They seem to be recommendations that most other countries of the world already follow. Wherever possible and wherever feasible, why not give the benefit of the doubt to a Canadian company? Why not give the benefit of the doubt to a Canadian engineering firm as opposed to a firm from overseas or from south of the border?

We feel very strongly that Bill C-48 is a golden opportunity for Canada that we should take. We feel that it is now time like never before to send out a clear message to the Canadian small business sector through Bill C-48 that we would like to see them obtain the recognition and appreciation that they so dearly deserve.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to put a few words on the record concerning Bill C-48. I would like to talk in particular about the motions we have placed on the Order Paper to correct this piece of legislation.

● (1620)

I would just like to point out why we are presenting these amendments. In fact, they call upon the Minister of Energy, Mines and Resources (Mr. Lalonde) to stand by this government's goal to Canadianize the energy field. The minister has been given a great deal of discretionary power, probably too much. Clause 10 of this bill does nothing to ensure that the minister will act responsibly toward his goal of Canadianization. We are very concerned about his discretionary powers when we see some of the devastating effects the National Energy Program has had on the Canadian oil industry and when we look at some of the statistics on what has happened in Canada as a result of this particular program and this government's involvement in energy.

In one case we have the development by Imperial Oil Limited of the $12 billion Cold Lake heavy oil extraction plant in Alberta remaining suspended. Just imagine what a blow to the economy the stoppage of this $12 billion project is, the result of this government's energy policies.

I would like to comment further on these discretionary powers. Let me quote from a submission made to the committee dealing with Bill C-48. This was a presentation from Chevron Standard Limited which made one of the better presentations regarding ministerial discretion. It points out:

The second feature of the bill which is rather all pervading is the broad discretionary powers granted the minister. Although there are some discretionary provisions which grant the right to appeal, many others do not. Even those granting the right to appeal provide that the initial appeal is to the minister whose decision is the subject of the appeal—he is asked to be the judge in his own case.

That could be disastrous with the present minister of energy, particularly with the record of this government in the energy field. The brief goes on to state:

It would seem to be asking too much to expect the minister to reverse himself on appeal so that such appeal would not appear to be of much value other than as a first step to a further appeal to the Federal Court. There is, of course, no review of the minister's actions by Parliament or by the Cabinet.

That is another danger. The brief goes on to state:

We would like to deal with a few specific areas where we feel the discretionary power could adversely affect Chevron.

Section 44(1) provides that the minister may designate a discovery of oil or gas a "significant discovery" and under Section 45 order the drilling of up to three wells at a time in relation to the "significant discovery". The definition of "significant discovery" is so broad that the minister could in fact declare any discovery no matter how small to be a "significant discovery". The definition makes no reference to economics, so the minister does not have to concern himself with whether or not a discovery is an economic one that would permit him to issue a drilling order. Such discretion could be used to force the drilling of uneconomic wells, or to place a company in a position that its only alternative is to surrender the pertinent Canada lands.

The Chevron brief goes on to state:

Section 49 provides for the establishment of two 15 million dollar environmental funds, one for each of the Minister of Indian Affairs and Northern Development and the Minister of Energy, Mines and Resources. These funds are to be funded by holders of Canada lands not necessarily equally nor in any ratio or proportion but only " . . . in the manner determined by the minister . . .". Under

this section each minister has the right to determine the manner and amount of payment by each holder of Canada lands into the fund.

In addition, he has the right to determine which environmental studies he deems are necessary and the amount to be spent on each. As the funds are depleted below one-half, the minister assesses Canada lands holders for such amounts as he sees fit to raise the total to the original 15 million dollar limit. With such easy access to funds there will be nothing to inhibit indiscriminate use of these moneys to perform studies that could be highly questionable or which would otherwise be done routinely or of necessity by the government. Surely there should be some legislative restraint on the use of these funds for only legitimate studies required for the conduct of exploration or development of Canada lands. Surely also the holder contributing the funds should have some say in their expenditure.

Section 48(1) allows the minister to order an interest holder whom "in the minister's opinion" has the capability to commence production to "... commence producing oil or gas for use in a Canadian domestic market and deliver the oil or gas so produced at the times and places and in the quantities specified in the order, for sale to persons specified in the order, at prices specified in the order, ..." Once again there is no requirement that such production, delivery or sale would be economic or even technically feasible. Even though an appeal from this decision is allowed, one should not be put in a position of having to resort to the courts on these matters which are in effect the sum of the company's producing operations.

No wonder we are seeing oil companies' rigs leaving this country. In the latest edition of the "Energy" magazine we find an article under the heading "The sad, southward journey of Rig No. 8". This rig No. 8 belongs to the Blocker Drilling Company Canada Ltd. This rig consists of 1,150 tons of components and it will be placed aboard a fleet of 49 trucks for shipment south to Williston, North Dakota. Three cheers for Williston; I am sure it is going to be very pleased with the National Energy Program introduced in this country. North Dakota is not one of the wealthiest states, but we are certainly helping it out to a great degree by driving rig No. 8 down to Williston, North Dakota. The article points out that this is being done strictly because of the National Energy Program. It also states:

—only one of Blocker's 10 rigs will stay in Canada this year. Twelve members of rig No. 8's crew will move to Williston—

Mr. Blocker says he figures he is going to stay down in the United States also. This is why we are objecting to the giving of any more discretionary powers to this minister. He has been an absolute disaster to date with his energy program, and to give him more discretionary powers would be a great danger to Canada, especially in terms of Canada becoming self-sufficient.

The Chevron brief goes on to point out:

Without rules governing the exercise of such wide discretion there are no guidelines nor precedents to rely on and an uncertainty as to the possible exercise of discretion will exist. Day-to-day ad hoc decisions limit the ability of the company to plan its operations.

That is why rigs are leaving. There are further statistics about rigs leaving because of this minister's decision on energy, the National Energy Program and all the rest. In Alberta alone close to 150 drilling rigs have left the province and 30 per cent of the energy service sector is closing up shop with thousands of workers losing their jobs, just to name a few. That is why we are objecting to this minister having additional powers. The Chevron brief goes on to point out:

With two ministers given the power to make decisions on identical matters even greater uncertainty is surely to be the result.

We feel that the granting of such broad powers to a minister is unwise—

That is an understatement, Mr. Speaker. The brief continues as follows:

—but are even more concerned with the minister's power to delegate these powers under Section 5(5) to anyone he sees fit regardless of qualification. If the minister were to be required to make all of the decisions which will be required of him under this bill, there might be less desire to have all of this discretion.

The wide unrestricted discretionary power to be vested in the minister, without statutory right to appeal in at least some instances, opens the door to ministerial arbitrariness and consequent abuse.

● (1630)

Although we do not suggest that the minister or his delegate would act in bad faith, that possibility exists. The discretion might be exercised to give political or familial advantage. It might be exercised frivolously, unfairly, in bad faith, out of spite, or as disciplinary action.

When a minister of the Crown can do that, it puts the industry in a bad position. The submission goes on:

All these bad faith uses are to be feared and we expect that Parliament will be vigilant to limit such possible abuses—

We are doing our job on this side of the House by opposing these abuses.

—especially in this case since Parliament, the general public and the person affected will not know about the abuse because the minister exercises his discretion in private. We suggest that Parliament set out in the bill guidelines on the exercise of the discretion and require the minister to report to Parliament regularly on this matter.

We fully support that. It is almost a dictatorship for a minister to have these kinds of powers.

I want to point out that the minister professes to have Canada's interests in mind. He should put them down on paper. This is exactly what Motion No. 9 would do. It would ensure that Canadians would profit from the spin-off benefits from the energy sector. This is exactly the same schedule used by the government in the Northern Pipeline Act. It is hard to believe the government would be so hypocritical as to say it would protect Canadian interests in one case but not in the other. Maybe this is not so hard to believe when you consider its enormous flip-flops on energy pricing, interest rates and the rest.

I would like to offer a few more examples of our concern about these discretionary powers. It has been estimated that the whole National Energy Program will result in a loss of over $3.5 billion in investment by the industry in 1981. We cannot be working toward energy self-sufficiency with that loss of investment. Each dollar spent in Canada by the industry creates another $1.70 in further economic activity. This means the National Energy Program will reduce Canadian economic output by $9.5 billion. This equals 3 per cent of the gross national product at a time in which it is doubtful that the gross national product will grow by more than 1.5 per cent this year.

Recent studies show that each job created in the industry results in almost three more jobs being created in the economy. It is difficult to measure the jobs lost or not created because of the National Energy Program. It is clear a long-term downturn

in industrial activity will have an impact on employment. This is already evident in the western provinces.

The Economic Council of Canada forecast a healthy and vigorous energy industry which would lead to 750,000 jobs in Canada during the 1980s. Loss of energy investment will result in almost 1 per cent higher unemployment and a 1 per cent loss per year in economic growth.

Earlier this year I read into the record a list of eastern Canadian firms which have been affected by the National Energy Program through loss of orders. I will go through the amounts in a moment. I also read the list of Alberta suppliers affected by the National Energy Program. How can the government possibly say this program is good for Canada? Rigs are leaving, money is leaving and there are cutbacks in investment. Dozens of firms are losing contracts. Eastern Canadian industries who are suppliers for most of the oil industry in Alberta are being devastated by cutbacks or cancellation of purchases. According to a survey in Alberta to which 41 companies responded, $1,470,000 in revenue was lost by eastern suppliers in the last quarter of 1980. The forecast cutbacks to eastern suppliers in 1981 will amount to approximately $20 million. In the same survey, loss of revenue to Alberta suppliers amounted to approximately $2,500,000 in 1980. In 1981, revenue losses are expected to be approximately $30 million. This is from a survey of only a small segment of the oil industry in Alberta. This is why we are so concerned about the energy minister having discretionary powers, or any power at all.

It is my hope the government will reconsider these discretionary powers. No minister of the Crown should have such dictatorial powers, especially the Minister of Energy, Mines and Resources with his record in the energy field. I hope the government will reconsider and support the motions placed on the Order Paper by the Conservative Party with regard to this legislation.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, on behalf of my party I would like to wind up the debate on these particular motions which, as I have said before, is perhaps the third part of this bill. It is a lengthy bill, but if you divide it into four parts it is not that complicated. The first part concerns the effect of oil and gas development on the north and native northerners. A number of motions deal with that aspect.

The second part concerns the environment and there are a number of motions directed to that as well. We have dealt with both those areas.

Third, there is industrial strategy—or lack thereof—in the bill, the Canadian content provisions, industrial spin-offs, the area which my hon. friend from Kamloops-Shuswap (Mr. Riis) thoroughly dealt with this afternoon. We are just winding up that part now.

Then we will turn to the fourth section of this bill which, in my classification, is the whole area of Canadianization, all the grants and the role of Petro-Canada in what I call the phony Canadianization. We will have a number of speakers addressing this part of the legislation to get our message to the country.

I call this bill a sleeper. I expect to hear some hecklers saying that I am putting them to sleep. The minister of energy is here and he is already asleep. The bill is a sleeper in the sense that the issues involved are the real issues in modern Canada today, issues such as native land claims, the environment in the south and the north, east and west coast exploration and development, industrial spin-offs, industrial strategy, relations with the Americans with respect to Canadianization and the role of Petro-Canada, public enterprise and private enterprise and the way we will develop the north, that vast storeland of materials of which Frank Scott, the poet, once said: "It is silently awaiting the struggle". He wrote that almost 30 years ago or perhaps earlier, and now the struggle has begun. That is why this bill is important.

• (1640)

Let me say something about an industrial strategy. In our motion we have chosen to set out what the industrial strategy should be. In other words, we have chosen to set out some specifics about getting some Canadian content. To use the words of the hon. member for Kamloops-Shuswap (Mr. Riis), we have chosen to put some teeth into it so that Canadian business and in particular, as the hon. member said, small business—for which the hon. member is a real fighter in this House—can get some benefits.

The Conservatives have proposed some amendments. I will not go into the detail of those amendments. By and large they are vague and put in as a response to the thrust of our amendments in the committee.

An hon. Member: Oh, come on!

Mr. Waddell: That is true. We were the ones who presented amendments to the committee. We held the committee up. We filibustered in the committee and we make no apologies for that. We did that to try to obtain benefits for Canadian business. Where were the Conservatives? Nowhere. They even co-operated with the Liberals in order to end the committee debate. Just look at the committee record; it is all there.

The Liberals are showing signs of backing off with respect to the Canadian content provisions. If we look at the original draft of this bill and the amendments brought in by the minister in the committee, we see that the minister was a little afraid of American pressure and, in fact, changed the provisions of the bill and made them more vague and more behind the scenes rather than up front. I will come to the reasons for that in a moment, but I suggest this is a mistake.

Mr. McDermid: He has never been up front in his life.

Mr. Waddell: I want to deal with some of the amendments, first of all Motion No. 7. Motion No. 7 is a motion put down by the hon. member for Etobicoke Centre (Mr. Wilson), formerly the Conservative energy critic but now the finance critic. We are opposed to that motion, mainly because of its reference to Clause 56 in the bill. Clause 56 refers to court

challenges of decisions made by the minister. We think that is unnecessary. We think it is just a delay mechanism. We think it is just inserted in the bill on direct instructions from the big boys in the oil industry, the friends of the Conservative party, who want that in there so that they can stop an active minister of energy from properly implementing this bill.

We do not object to the minister's having discretion. If we look at many of the Conservative amendments—and we will come to them later on—we find that they deal with trying to stop the minister's discretion. They try to tie it up. We do not object to the minister's having discretion. What we object to is that discretion being exercised behind closed doors. We object to discretion being exercised with input only from a few civil servants in Ottawa. Those people might be distinguished civil servants, but they have not had experience in the field or, if they have, it was some time ago. They are not out there as industry, labour and local people are. That is why we have introduced Motion No. 12.

If we look at Motion No. 12, we see that we propose an advisory body so that when information goes to the minister and he exercises his discretion, there would be a committee on Canadian content made up of representatives from labour, industry, the people of the north and the people affected. The committee would participate in making the regulations.

The minister has said to us that we do not need to do this, that we do not need to specify all this Canadian content and all these requirements. He has said that we do not need to put teeth, as it were, into the bill because he can simply act by way of regulation or by way of a closed interdepartmental committee.

An hon. Member: We have seen that before.

Mr. Waddell: The problem is that we cannot trust that system. We are asked to trust. How are we to be sure that there is to be no back-off? This government is backing off from its energy policy bit by bit and piece by piece, and that will become obvious in the next few months.

Some people might want to read the speech of Peter M. Towe, the Canadian ambassador to the United States, given in New York on October 13, 1981. It was referred to by the hon. member for St. John's West (Mr. Crosbie) in a question the other day. It was a very important speech. I am going to quote from page 7 of that speech. The ambassador said this:

> One especially unfair reaction to the measures we shall be taking to increase Canadian participation is the charge that the Canadian oil and gas industry is being nationalized. "Hijacked" said the *Wall Street Journal* in one of its more recent flights of editorial fancy. That is certainly not the case. What the Canadian government does intend is to mobilize predominantly private Canadian investment, from existing companies, pension plans, insurance funds and individuals, and to encourage their investment in the oil and gas industry.

I underline "private".

> The government does intend to enlarge the presence of the national public sector in the oil and gas industry. Petro-Canada, for exemple, is playing and will continue to play a crucial catalytic role in high risk frontier development. But the public sector share of the industry will continue to be quite small, and the government is committed to vigorous competition in both the private and public sectors.

Then he went on in his speech at page 11 to say:

> Some critics are concerned that the NEP's Canadian participation provisions might be the first step toward similar policies for other economic sectors. I can assure you that this is not so.

That is the end of the Liberal industrial strategy, the end of the Minister of Industry, Trade and Commerce (Mr. Gray) and the end of the whole progressive thrust of the government, all in response to the Americans and all because of fear. We have to say to our American friends that we are a good neighbour but that if they were in our place they would not permit an industry to be so foreign controlled as is our industry. They have a "buy American" program. We should have a "buy Canadian" program. What else do the Americans expect? That is not unreasonable. We have to say to them, "What kind of nation is it that conducts foreign policy by getting its best neighbour, Canada, mad?" That does not make any sense.

I do not think the government should back down as a result of any American pressure. The government appears to be doing so. That is why we put in Motion No. 12. We put in Motion No. 12 so that it would be set out that there would be a committee of local people, labour people and business people to advise the minister. They could help in the setting up of regulations and so forth.

The government has had some experience in this. Last summer there was a task force on megaprojects chaired, I think, by Shirley Carr of the Canadian Labour Congress and Bob Blair of NOVA Corporation. It can be done. There is precedent for it and it should be put in the bill.

With respect to Motion No. 11, again we propose a very practical amendment. The amendment would simply open up the bidding process for Canadians. I will not go into the details of Motion No. 11, but it states in part the following:

> —open all contracts of a value of $50,000 or greater undertaken in carrying out the exploration agreement to public tender and submit, in reasonable numbers invitations to bid to Canadian suppliers;

Again as the hon. member for Kamloops-Shuswap said, let us put some teeth into it. But the minister will not accept these motions. It seems to me they are very reasonable and practical suggestions. The minister came into the House the other day and suggested that this bill took a long time in the committee and that there were many problems. I respectfully suggest to the minister that when he proceeds with his next bill, if he were more flexible and prepared to accept some practical amendments—he is not known for his flexibility—he would not have as many problems.

I can conclude my brief remarks by saying that what we want to do is put a "buy Canada" program into legislation, and this is the bill to do it. A previous speaker said that one of the banks placed a figure of $1 trillion on energy megaprojects, energy development on the east coast, on the west coast and in the north. This is very crucial legislation. We should not be asleep while this bill is going through.

• (1650)

Some member was referred to as a hewer of wood. What are we? Hewers of wood and drawers of water. Someone said passers of gas fourth class.

An hon. Member: Spillers of oil.

Mr. Waddell: Whatever we are, we are still a nation that is basically a colony. We were a French colony, became a British colony and now we are an American colony. We are not prepared to do for ourselves what we should have done a long time ago, and that is insist on a real industrial strategy. When talking about creating an industrial strategy, our ambassador to the United States said "I can assure you that this is not so". He said that we are not going to proceed to one. One can see that from Bill C-48.

I offer to the government, other parties and members very concrete, sensible, reasonable amendments which would allow us to have a "buy Canada" program in this bill. It will help small business and other Canadian business get some of the benefits in these great developments that are about to come in our country.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I find little pleasure in rising to participate in debate on a bill of this sort which, rather than spelling out Canadian development and planning for Canadian self-sufficiency, stagnates the opportunities which have presented themselves to Canada at this moment in our history. Stagnation of the future is not pleasant to discuss, not even for an opposition member let alone a government member.

There are some things being very seriously overlooked as this question is considered. We were called the friends of the oil industry by the hon. member for Vancouver-Kingsway (Mr. Waddell). One becomes a reasonable friend of those who will develop our oil supplies and bring us Canadian self-sufficiency in our fuel requirements, and in turn make a major contribution to our own self-sufficiency in a fiscal, monetary way as well as in an energy way. This program before us, both the National Energy Program and this bill which invokes some very unacceptable parts of the program, is not a pleasant subject for anybody who is willing to go just a little further than the hon. member for Vancouver-Kingsway has chosen to go.

We are looking at a program which has put a constraint upon employment. It has done this virtually coast to coast in Canada. As an over-all policy, it has been an inhibitor of our development and economic expansion rather than a developer of the same. The evidence is there for anyone who reads the *Financial Post, Financial Times, The Globe and Mail* or any one of dozens of publications which have been very careful to analyse the structure.

An hon. Member: Oh, oh!

Mr. McCain: I doubt whether the hon. member has read any or he would not have made the interjection.

We are talking about megaprojects. Megaprojects which might have taken place in the oil industry have been stymied by the greed of the federal government, not by any wish for the development of Canada, because had there been a wish for Canadian development and oil self-sufficiency, there would have been stimulation instead of stagnation. There would have been stimulants instead of sedatives. That has been the characteristic of this structure which the government has put before us.

We have the imposition of ministerial control over the oil industry under this bill to a degree that will be very seriously detrimental to the industry as a whole. Who is going to take the risk of expending moneys of their own or their stockholders in the development of further supplies of oil or gas when they know that if they get a lease from the government, they will not be their own managers? They will instead find that the government, the minister, the bureaucracy, will be the managers, the dictators of the use of the land which they have opportunity to explore. There can be no confidence by any thinking businessman if he enters into a contract under this situation.

I agree with the hon. member for Vancouver-Kingsway that this is an opportunity for the minister to go behind closed doors and reward any friend of the Liberal party with a contract. This is a situation in which huge portions of the industry will never dare utter a word of criticism. Contributors to political campaigns of members on your left, Mr. Speaker, once this is publicized, will be stained in the opinion of the present minister, and there will be very little hope of their getting any concessions in this structure. There will be a friendly allocation of lands as a reward for loyalty and support from those companies and their executives.

The hon. member for Vancouver-Kingsway mentioned the figure of a trillion dollars. With respect to hon. members, I think that is beyond the comprehension of anyone in this House. Is there any plan by this government whereby a trillion dollars can be raised for the development of the oil industry within Canada? Does the minister expect the taxpayers of this nation to be prepared to accept a trillion dollars in costs to develop this? Let us take a look at what has happened in some of the other countries mentioned by speakers both on my left and on your right, Mr. Speaker. They suggested that the United Kingdom had gone a different course. Unfortunately, I do not have the clippings in my hand that would be necessary to substantiate the statements, but three statements have come out of the United Kingdom in the last two years, not all from the present U.K. Prime Minister.

A move was taken by the Labour party to sell part of the stock of British Petroleum. The United Kingdom owned different blocks of that stock over a period of years—I believe it was as high as 60 per cent and as low as 49 per cent—until the socialist government of that country decided it would be advantageous to the United Kingdom to sell some of its stock in British Petroleum.

The most significant thing about that company and the government ownership of it was that the government did not

interfere with management. British Petroleum was a corporation which could operate on its own designs and make its own plans for the future, even though voting stock control was held by the United Kingdom. Such has not been the case with Crown corporations in this nation, and we can never hope that such will be the case under a government like the one on your right, Mr. Speaker.

Let us go one step further. Not only did they sell shares in British Petroleum, but an announcement appeared in the press that they needed five million pounds for the proper ongoing development of the Crown corporation which was exploring, owning and trying to deliver oil to the United Kingdom from the North Sea. The Chancellor of the Exchequer of the United Kingdom decided in his wisdom that there was no way that the taxpayer, the credit of the United Kingdom or any other source of funds could finance that work under a Crown corporation.

The result was that a group of experts, accumulated over a period of years, was going to be disintegrated, fired, because the taxpayer could not finance that national corporation. I ask those on my left to take note of this. Because the taxpayer was not considered capable of financing it, the Crown corporation planned to discard the regulatory, exploratory, developmental capability of the staff that it had accumulated.

• (1700)

That is the history of the great U.K. success in the oil industry. Let us carry this one step further. The government of the United Kingdom—and this takes in both the Conservative and the Labour parties—is finding it might well be desirable to liquidate its ownership of the Crown corporation and allow the private enterprise structure to go forward, who might be able, without burden to the British economy, to finance proper development of North Sea oil. That is the success that the United Kingdom government had, even when they kept hands off management, which this government has never done.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Public Service—Cost of living differentials applicable to airport firemen; the hon. member for Vegreville (Mr. Mazankowski)—Railways—Request for introduction of VIA Rail legislation; the hon. member for Spadina (Mr. Heap)—The Economy—Request that Governor of Bank of Canada be instructed to lower interest rates.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Notices of Motions Nos. 22, 5, and 35 allowed to stand by unanimous consent.

ALICE ARM, B.C.—PERMIT FOR AMAX LIMITED

Mr. Jim Fulton (Skeena) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House before March 2, 1981, copies of all correspondence, telegrams or communications exchanged between Mr. John Aird and cabinet ministers and/or their past or present staff regarding the permit for Amax Limited at Alice Arm.

He said: As is usual, Mr. Speaker, today we are debating a motion for the tabling of papers that the government has failed to provide, information that should be generally available to the public, or at least to members of this House.

On January 21 of this year, I placed this motion on the Order Paper asking the government to respond by March 2, 1981. Three weeks after the deadline, the then Parliamentary Secretary to the President of the Privy Council replied in the House. The parliamentary secretary's reply is on the record and, in my view, is not adequate. I therefore asked that the motion be transferred for debate here today.

Let us take a look at the reasons, Mr. Speaker. First, the parliamentary secretary replied that the Departments of the Environment, Fisheries and Oceans, and Indian Affairs and Northern Development did not have any correspondence, etc., with the elusive Mr. Aird. However, and this is clear to all members of this House, my motion asked for the release of correspondence between any cabinet minister and/or their past or present staff.

The parliamentary secretary has produced a limited reply that avoids all other federal departments, ministers and their staff, past or present. Why was that specifically done, Mr. Speaker? I would like to address myself to that matter today.

I think it is clear that the parliamentary secretary should go back to his office, call or correspond with all the other departments that he has skipped over and ask them whether they have in their possession any correspondence with Mr. Aird regarding the permit for Amax Limited at Alice Arm. Until the parliamentary secretary does that, there will be an

even darker cloud over the government's handling of this entire issue.

But that is not all. Let us take a quick look at some of the other motions for the production of papers that this government has so far refused to deal with. Motion No. 45, a motion to have "any reports that have been prepared for or by any department and any reports that have been forwarded to the government by Amax" is being dealt with, it seems, in the most unprofessional way that I have seen this government act. The reports I have asked for appear to be trickling into the government—that is about the best way to describe it—so until the rest of the reports "appear", I assume the government will continue to leave this motion on the Table.

Motions Nos. 62, 63 and 64 ask for copies of government documents that were released to the so-called scientific review panel that was recently held to look into the Amax situation. It is interesting to note that these letters and correspondence were forwarded to the panel for their general use, but have not been released to the public, nor to the independent scientists who have grave concerns about the implications of the dumping of tailings at Alice Arm. Once again, I think all members of this House and the general public have a right to ask why.

As with the present motion we are debating and with the ones I have listed above, I am prepared to debate them for the full time allowed under the rules of this House until such time as the government is prepared to release them.

Incidentally, Mr. Speaker, we have yet to hear from the government whether they intend to comply with Motions Nos. 62, 63 and 64 which I placed on the Order Paper in June. Perhaps the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) could endeavour to bring that forward to the House in the near future.

I first raised the Amax issue here in this House on July 8, 1980, and have been questioning the government about the sleazy way the cabinet passed the only special order in council of its kind to allow Amax of Canada to dump toxic mine wastes into Alice Arm in British Columbia.

Since then more and more information has come out to condemn the government's actions. Four out of five government scientists, for example, on an internal government committee, were so concerned about the deleterious effects this project would have on the environment that they voted against it. However, the government decided to allow the project to go ahead, despite the legitimate scientific concerns of their own public servants.

Even the recent review of the project identifies three heavy metals that will negatively affect, and perhaps permanently affect, the marine environment and the foods that grow there.

Church groups, trade unionists, native groups, environment groups and members of Parliament from both parties on this side of the House, I might say, have all spoken out on this issue. However, the government, afraid of losing face, still refuses to release the crucial documents on this matter.

I remain convinced that this is one of the most important environmental issues to come before us in recent times, not only because of its significance, but because of the precedent the Liberal party has set in this matter. It is important because of the nature of the way the government allowed this development to take place.

Motion No. 43 is extremely important because of the involvement of the Liberal party, not just members of the Liberal cabinet but the party itself, in granting the dumping permit to Amax. Amax of Canada was handed the Alice Arm tailing deposit regulations on April 4, 1979. I think we all recall, Mr. Speaker, that it was almost dead centre in the middle of a federal election. There were no committees sitting; this House was not sitting; there was no opportunity for members of Parliament, the press, any member of the public or any special interest group to find out exactly what was going on and how it came to be.

This special permit, the only one of its kind in Canada in all of Canada's history, allows Amax to dump an average of 10,000 metric tons of slurry tailings per day for a period over 26 years into the environmentally sensitive Alice Arm inlet. In fact, the order in council was issued behind the closed doors of cabinet during the election just two years ago. Even the Minister of Fisheries and Oceans (Mr. LeBlanc) admitted that the notification to the people of the area could have been better.

What happens in the smoky back rooms of the Liberal party? This is a question I would like to address. And who participates in these gatherings is something I think all members on this side of the House would like to know more about.

The Parliamentary secretary's refusal to consult other departments, departments, I might say, that would be the most likely to have had correspondence with Mr. Aird, leads to some serious questions indeed. As you know, Mr. Speaker, Mr. Aird is the present Lieutenant-Governor of Ontario and has been a longtime Liberal and a member of the Amax board of directors. Wallace Clement, in his 1977 study "Continental Corporate Power", identifies Aird as part of "Canada's internationalized elite". His position as a Liberal senator and his participation on numerous corporations has led Clement to say that it "should be evident why Amax finds him a useful member of its board".

Amax is not a small, struggling corporation that needs Liberal, Tory or Socred handouts. The company has an international reputation as a plunderer of resources and an outfit that pays little or no attention to environmental concerns. That record is certainly clear to see for any member of the House who would care to go to the Parliamentary Library and look at the track record of Amax internationally on environmental matters.

Canada is not left untouched. On June 4, 1980, Mr. Aird was appointed Lieutenant-Governor of Ontario. He was replaced on the Amax board by none other than the former president of the United States, Gerald Ford. Aird was also the chief national fund raiser, or perhaps as we in the House better know it these days, the bag person, for the Liberal party. He has held that position for some time for the national Liberal

party. It might be interesting to note that Premier Davis is hiring more Liberals these days than he knows.

● (1710)

Peter Newman in Volume I of "The Canadian Establishment" quoted Mr. Aird's views on making deals, as follows:

For instance, if you're in a town where there's a Royal Bank and you go and tell the manager you are a director of the Bank of Nova Scotia, you're going to be looked after.

We know who has been looked after in the Amax deal. Mr. Aird was also a member of the Permanent Joint Defence Board. Molybdenum, an important mineral used in the industrial arms race, is produced by the Amax mine at Alice Arm.

The CBC program "The Fifth Estate" did a feature story on the Amax situation on April 15, 1981. Their research showed that Mr. Aird's law firm represented Amax in Ottawa. I should like to quote directly from the transcript of that program as follows:

Malling: Scandalous is a word that's frequently tossed around in this dispute, and so is the name of John Aird. The Lieutenent-Governor of Ontario had been one of the Liberal party's most important fund raisers. He was also a member of Amax's board of directors in the U.S. when the special dumping permit passed cabinet. Though his law firm represented Amax in Ottawa, Aird denies any personal involvement.

What does this information tell us? The Liberal party, desperate for votes in its 1979 losing cause, approved a special dumping permit for Amax, the only one of its kind in Canada and one which vastly exceeds existing fisheries and oceans legislation, the Fisheries Act, and the metal mining liquid effluent regulations. We all know how industry has the government in its hip pocket. It does not take long to learn how these deals have been made between the companies and Liberal cabinet ministers.

The Amax issue will continue to hound the government until all the facts are clear. Along with other groups I have called for a full public inquiry into the situation, but I have been continually turned down by most members of cabinet. The scientific review panel which was set up by the Minister of Fisheries and Oceans dealt only with some of the so-called scientific aspects of the project. Many independent scientists have challenged the findings. However, the issue is more than just a scientific one. There are important social and moral questions involved which have not been addressed in any way by the Liberal party.

Perhaps the most important social question is the entire approval process that Amax underwent. Canada does not have a legislative environmental assessment procedure, so that projects like Amax, which was challenged by the majority of the government's informed scientists—and I think this is a crucial point—can be quietly approved without public input. With an open and public assessment process the public would be assured that projects are mounted with proper studies and proper input.

Should the government have allowed this project to proceed? I encourage Liberal members to read The Global 2000 report, which reads as follows:

Water Pollution

The effect of heavy metal concentrations on the development of marine organisms is only beginning to be understood. They are among the most environmentally persistent substances. They cannot be transmuted or destroyed and, in concert with certain bacteria, have the insidious attribute of combining with organic substances to form highly toxic metallo-organic compounds.

I think this is the most important issue other than the tabling of the documents for which I am looking. I am referring to the way the permit was given out and its actual impact not only on Alice Arm and on the biological organisms there, but its actual impact on man, the native people of Kincolith, the Nishga people in that area, and on the commercial fisheries and species which are taken out of that area and their ultimate genetic and biological impact upon man.

I mentioned earlier that the review panel set up by the Minister of Fisheries and Oceans identified three heavy metals that must be abated or there will be serious damage to the marine environment. A brief entitled "Some Moral and Ethical Considerations Relating to the Condition, Management and Utilization of Fisheries of the Pacific Coast of Canada" was presented to the Commission on Pacific Fisheries Policy by the Anglican Diocese of Caledonia, the Anglican Diocese of Yukon, and the Anglican Church of Canada. In it they said the following:

Mining, hydroelectric and forestry operations are bound to have a deleterious effect on fish populations. Yet it is the native people who inhabit the coastal watersheds, who will firstly and most directly be affected by such changes. It is the Nishga people who are most vulnerable to the Amax mine operation at Alice Arm even though they were ignored in the decision-making process which led to the issuing of the permits.

It is a crucial issue which is rarely addressed any longer in the House. The moral implication of the act, in my view, has serious ethical questions surrounding it. Surely the government will come to its senses, realize the damage it has caused and order a full public inquiry. Amax can operate safely but the fact of the matter is that it does not.

Before the debate is over today the people of Canada would like at least a commitment from the Parliamentary Secretary to the President of the Privy Council that he will survey the other offices to see if they have had any correspondence, etc., with Mr. Aird on this matter. Until that is done I do not consider this matter closed. It will not go undebated. I am hopeful other speakers will rise in the House to address themselves to the very serious issues which are held within this motion and the reasons it is being debated today.

At the beginning of my speech I said I would continue to question the government's motives on this project until I received some answers. There are additional motions for the production of papers which I will also continue to pursue on the Amax issue. Amax at Alice Arm, British Columbia, has become a watershed in Canadian environmental issues. Future projects like it will be put under the same scrutiny which Amax has undergone. As soon as the Liberal government realizes this, the better off we will all be, certainly our children.

I trust that in bringing this matter in this way before the House the government side will demonstrate the strength of Parliament, the intent to pursue freedom of information in the

real way and in the spirit of the Canadian way, and put before us the documents which in fact exist.

The Acting Speaker (Mr. Blaker): Order, please. Ordinarily I would recognize the Hon. Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Tobin), but I understand he has allowed his place to stand in favour of the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I thank my colleagues on the other side of the House for ceding their place in my favour because of a prior commitment which I have at six o'clock.

I do not share the political biases expressed so vividly by the hon. member for Skeena (Mr. Fulton). At the same time I rise to support the request he made in this motion for the production of papers connected with the permit. Indeed, I would have preferred seeing this request broadened to include all papers related to the issuance of the permit.

There has been a controversy over the permit issued to Amax for a long time, at least two years to my knowledge. We know influence peddling when we see it. We saw it recently in the designation of certain executive assistants and the special privileges allotted to them, but there is more in this matter than just influence peddling. There is the entire matter of the environmental concerns surrounding this operation. It is time we had all the papers before us to settle once and for all the argument which has gone on altogether too long.

In a matter of this sort we should return to the fundamentals. Any human disturbance of the environment or the status quo in the physical world cannot fail to have consequences of one sort or another. Even the employment of horses to draw vehicles in public streets had environmental consequences which involved social and economic costs to repair. Our parents were prepared to pay those costs. The problem which must be solved, both in general and in particular, whenever a matter of environmental disturbance comes before us is whether the economic and social costs are too heavy to bear, taking into account the social, economic and, in this particular instance, the military consequences of failing to proceed with the development or to proceed with it in a more costly way. This is a difficult formula to work out but I submit it is one under which we will either have development or will not have development.

● (1720)

Let us consider the problem of acid rain. The cost of proceeding as we are now will be high. We may not even be able to calculate that cost at present. Just because that cost will fall upon the generation that is to follow is no reason that we should ignore it today. Certainly the cost of preventing acid rain will be high. We must ask ourselves whether we are prepared to bear that cost today and in the future so that we may leave to the generation that follows an environment of which we can be relatively proud. That consideration of whether we should defer costs to the next generation or face them today must enter into a formula of this kind. We would like to bequeath to our children both clean environmental standards—and this matter was raised by the hon. member for Skeena—and a morality that looks beyond our pocketbook.

I favour production of these papers because we cannot possibly work toward that formula until we have all the facts before us—not just the possibility of influence peddling but also the scientific facts and the social impacts that will be felt. One way to achieve that is through a public inquiry. The hon. member for Skeena pointed out that the permit was issued in the midst of an election. There was no public inquiry.

There is no question that costs are involved and Amax may be able to meet those costs. On the other hand, they may be so high that Amax may have to look for its molybdenum elsewhere.

I deplore any suggestion that Amax is being picked on just because it happens to have an operation in Namibia. Some of the attacks on Amax imply that. Amax has a permit and has been a responsible operator. In May of this year when there was a break in the tailings line, the company stopped operations. That indicates it has operated within the limits of its permit. If the permit was wrongfully issued or if there was no other way of removing the tailings, those matters should be examined.

There is a good deal of evidence on my file that it would be much more expensive and have much longer term consequences if those tailings were deposited on land and allowed to leach into Alice Arm than is the case at present when they are being taken down well below the surface and allowed to settle in an area which actually forms a pocket at the bottom of Alice Arm.

When considering the effect of depositing those tailings in the marine environment, I think we should also take into account the fact that many years ago there was an operation at the Kitsu mine and the tailings went into Alice Arm. It is true that at that time we did not have the same notion of the environment that we have today, so to that extent there has been progress. There was not full recognition of the environmental impacts before that permit was issued. I have evidence on my file from the Department of the Environment which indicates that the measures taken into account at the time of the issuance of that permit were all that needed to be taken into account—the toxicity, the amount of clouding or whatever the terminology is, of the tailings and the fineness of the grind were all up to the standards set by the Department of the Environment.

We also know of the objections raised by the Nishga council. I have been led to understand that they were offered employment opportunities at the mine—again, a demonstration of responsible corporate citizenship—but I understand that those offers were put aside, if not rejected. There seems to be some indication that another form of recompense was sought by the Nishga. These facts ought to come out so that we can judge whether the permit was properly issued in the first place.

The controversy that surrounded the Amax operation eventually resulted in the creation of a commission appointed by the government to examine the scientific evidence related to the deposit of the tailings in Alice Arm. Dr. McInerney of the University of British Columbia was appointed to chair the commission. I believe the report, with recommendations, has already been presented to the government.

I regret that when the appointment of the commission was announced, the Nishga refused to testify. They have legitimate concerns and I think they ought to have brought them before the inquiry. These concerns are now being conveyed to us by the local representative and this is legitimate, but still, I think it would have been better if they had appeared before the public inquiry to answer questions put by the commissioners, who could have determined to what extent the complaints were valid.

I endorse the action taken by the hon. member for Skeena in requesting these papers, although I would have liked to see the request cover more than just those aimed at the so-called, rightly or wrongly, influence peddling involved in obtaining the permit in the first place. In addition, I would like to have before us the environmental, social and economic factors that went into the decision to issue the permit to Amax in the first place.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): First of all, Mr. Speaker, I want to say that the Government of Canada, the Minister of Fisheries and Oceans (Mr. LeBlanc) and his department are always very much concerned that the environmental standards set by that department, the Department of the Environment and, indeed, the Department of Indian Affairs and Northern Development, are adhered to. We respect the wish of any group, any individual or any member of this House to raise questions in order to ensure all regulations are being followed from an environmental point of view. That is the crux of the issue today.

On the other hand, the question before us today is not one of environmental regulations being met or not being met or whether all safeguards have been imposed that should be; instead, we have heard the hon. member for Skeena (Mr. Fulton) put forward a carefully orchestrated series of insinuations. I personally believe that hon. members should keep in mind that they enjoy the protection of this House and should not abuse it.

I want to point out that through his insinuations the hon. member for Skeena has called into question the integrity of the Lieutenant-Governor of Ontario. Standing Order 35 reads:

• (1730)

No member shall speak disrespectfully of Her Majesty, nor of any of the Royal Family, nor of His Excellency or the person administering the Government of Canada; nor use offensive words against either House, or against any member thereof. No member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

The first sentence is the relevant point here. I notice that the Chair did not rule or call the member to order today, but I would like to reserve my right, to raise a question of privilege after examining the blues. I say to my colleague opposite who spoke on behalf of the Conservative party that I respect the intelligent and rational way he approached this issue. I reserve the right to raise a question of privilege later concerning the comments made by the hon. member for Skeena (Mr. Fulton) in so far as they reflected upon the integrity of the Lieutenant Governor of Ontario.

My first reaction to the motion for debate presented by the hon. member for Skeena was one of astonishment that he would choose to waste the time of this House on an issue that has been already adequately answered, explained and, I thought, laid to rest some time ago.

The Acting Speaker (Mr. Blaker): Order, please. I am somewhat concerned because, in the first instance, I had some difficulties while the hon. member for Skeena was speaking and I have been taking some time to consider his remarks and to review the authorities on the subject. That ought not to be interpreted as leaning in either direction with regard to what the hon. parliamentary secretary has now referred to as a possible question of privilege.

Second, I am concerned that the hon. member for Skeena is not present at a time when the parliamentary secretary has indicated that there may be a question of privilege involved.

Finally, I am concerned that in the normal course of events, questions of privilege are usually raised as quickly as possible when the occasion arises.

I think the Chair has a duty to all members. There is some concern about the remarks, but again I underline the fact that I am not predisposing myself or any other occupant of the chair to make a judgment in that regard. It is sufficient, in my view, that the parliamentary secretary has noted the matter. He will realize, and he does realize I am sure, that if he is going to raise such a matter, he will want to proceed in the ordinary fashion and not at a later indefinite, date, and that after giving the matter some thought, he will proceed as he wishes. I think we should close the matter off, but that does not mean it is not open for debate. I will, however, take it as notice that a possible question of privilege has been raised, and the parliamentary secretary will proceed as he sees fit.

Mr. Tobin: Mr. Speaker, as soon as I began to make my point regarding a possible question of privilege and what I believe to be the calling into question of the integrity of the Lieutenant Governor of Ontario, I was somewhat disappointed to see the hon. member for Skeena scurrying behind the curtains and out through the door. That in itself is disappointing, but what is doubly disappointing—and I have to turn away from my text once again—is that as the hon. member spoke, I asked myself what is being accomplished here today. Are we hearing from the hon. member the honest heartfelt concern of a member for a certain group of people in the province of British Columbia, namely, the Nishgas?

Mr. Manly: Absolutely.

Mr. Tobin: Or are we having the convoluted kind of argument which led to a series of insinuations? I am afraid that my opinion of the gentleman who has left the Chamber as soon as I stood in my place to answer his questions now leans toward the latter argument, that indeed his remarks were nothing more than an attempt to score political points. I am sorry to have to disappoint him.

Let me then state categorically, and as clearly as I can, that the Amax decision was reached by means of the normal regulatory process and after a very careful review of the data which indicated that the method proposed for disposing of the tailings into the inlet would not jeopardize the fisheries resource. The suggestion that some political pressure was brought to bear to influence the decision is completely without foundation. The decision was reached purely and simply on the basis of the scientific facts which were on hand at that time.

The Minister of Fisheries and Oceans has stated on more than one occasion that he was quite satisfied that a sound decision had been reached and that there was no valid reason to delay the start-up of production at the Amax mine, with its accompanying employment and economic benefits for British Columbia and Canada as a whole.

It would be useful, I believe, if I were to re-emphasize the factors which were taken into account in approving the Alice Arm tailings deposit regulations. This was not a decision that was taken flippantly or in great haste, but one that was made only after a detailed technical examination of data on various tailings disposal alternatives available to us carried out by staff of the Department of Fisheries and Oceans and the Department of the Environment.

By way of an example of the thoroughness with which this task was carried out, I might mention that more than 40 technical reports on the biology and oceanography of Alice Arm were reviewed to assess the immediate and long-term risks associated with maintenance of a conventional on-land tailings impoundment, as compared with the existing underwater disposal system. Following this extensive study, the conclusion drawn was that a properly designed marine tailings disposal system would not adversely affect the fisheries resource and, on balance, would be preferable in this particular case to a containment pond on land.

The minister, in making his decision, based his approval of the tailings deposit regulations on the following factors. The first factor was the conclusion that Pacific salmon and other important fishery resources would not be adversely affected. The second was that tailings deposited from the mine would not extend outside of Alice Arm. The third was that the tailings would keep to the bottom of Alice Arm at a minimum depth of 100 metres. The fourth factor was that the alternative method of tailings storage, that is, on-land impoundment, would represent a threat in perpetuity to salmon resources entering Alice Arm. This conclusion was arrived at in view of the high rainfall and the steep topography of the area, which meant, in effect, that the permanent stability of an on-land storage basin could not be assured. I feel this is a very important point and one which has been frequently overlooked by those critical of the underwater disposal system. I note a point made by an hon. member from the Conservative Party who spoke a few moments ago.

Having satisfied himself as to the technical aspects of this disposal system, the Minister of Fisheries and Oceans (Mr. LeBlanc) has freely admitted that there still remained a nagging thought that perhaps the experts might have miscalculated or slipped up somewhere along the line. It was for that reason that he was not unsympathetic, nor unresponsive, to the concerns expressed by the Nishga Tribal Council on behalf of the native people who live in the vicinity of Alice Arm that some damage might be caused to the fishery resource as a result of the mining operation.

Because of this, and to make doubly sure that we were doing the right thing, the minister asked for the establishment of a review panel of independent and highly respected scientists to go over all the data and reports on which the decision was based and to publicly report their findings. He opted for a scientific review panel, rather than a public inquiry which was advocated by the Nishga Indians, because the evidence on which the panel would have to base its findings was almost exclusively scientific or, at best, very technical. However, it was made very clear to the Nishgas, and to any other groups or individuals interested in the issue, that the panel would be prepared to meet with them and hear their views or evidence, and that all reports of the panel would be readily available to the public.

The minister, and most others involved in this matter, were disappointed that the Nishgas, for reasons best known to themselves, decided to boycott the review panel. In view of the concerns they had raised and their repeated demands for a public inquiry, it was somewhat difficult to understand their position. However, that was their decision, and a decision we can only choose to respect.

● (1740)

At the same time, it is somewhat ironic that the conclusions of the review panel are now being questioned by the Nishgas and others because of the lack of any Nishga participation in the public hearing although they themselves had every opportunity, and in fact were invited, to participate but chose not to do so.

In the recruitment of members of the review panel, considerable care was taken to ensure that competent and independent scientists were appointed. Its chairman was Dr. J. E. McInerney, who is chairman of the department of biology at the University of Victoria and a specialist in the physiology and behaviour of fish. The other two members were Dr. R. W. Burling, professor of oceanography at the department of oceanography, University of British Columbia, and Dr. W. K. Oldham, a member of the faculty of civil engineering at the University of B.C.

I should say, as I mention these three highly prestigious and respected scientists, all from the University of British Columbia, that I think the hon. member for Skeena almost called their competence into doubt today. I am somewhat

surprised that a member from the great province of British Columbia would give any hint at all of doubt about the integrity and competence of these three distinguished British Columbians. It is worth while repeating what the panel's terms of reference were. They were as follows:

1. To examine and advise on the adequacy of the Alice Arm Tailings Deposit Regulations for protecting economically important fisheries resources and Indian food fisheries of Alice Arm and environs.

2. To examine and advise on whether planned tailings deposit practices are likely to meet the terms and conditions of the regulations.

3. To assess the planned monitoring program to determine whether it will be adequate to detect violations of the terms of the regulations or impacts upon fish and fish habitat, and to recommend necessary improvements.

4. To consult with interested agencies and parties knowledgeable about the issue.

5. To examine and recommend any alternative tailings disposal methods which could significantly reduce or preclude hazards to the fisheries resources.

6. To recommend further courses of action in the future which in the opinion of the panel, may be necessary to address the issue.

7. To prepare two reports: as soon as possible an interim report recommending any action deemed important for protecting the public interest, and a final report by July 1, 1981.

The scientific review panel went about its work with great dedication and diligence and, starting around the end of March, 1981, consulted with knowledgeable people in various parts of British Columbia, and held open public meetings at Prince Rupert and Vancouver. In between meetings, they studied an immense amount of correspondence and reports which had a bearing on this unquestionably important subject.

In the early part of May, the scientific review panel produced its interim report which commenced with the statement, which I will quote because it is most significant today. It reads:

It is the panel's considered opinion that, in the short-term, the public interest will not be jeopardized by the continued discharge of Amax mine tailings to Alice Arm. Accordingly, no major restrictive actions are deemed necessary at this time.

That was the interim report on this matter. The panel's final report was issued on July 24 and consisted of a document of some 154 pages, in itself a somewhat remarkable feat considering the fact that the three scientists involved started their task only four months previously.

The summary findings of the revew panel have already been given considerable publicity, but I feel it would be appropriate if I repeated them to the House at this time. These were the panel's conclusions, and I quote directly from the report which it presented:

(a) With the possible exceptions of cadmium, lead and zinc in the solid form, no deleterious effects are expected to result from the daily deposit of 12,000 metric tons of Amax/Kitsault tailings into Alice Arm, in accordance with the Alice Arm Tailings Deposit Regulations.

(b) The following substances, in both solid and dissolved forms, all occur in concentrations which are the same or less than local background conditions: arsenic, copper, iron, mercury, manganese, nickel, uranium-235 and its daughter products, radium-226, thorium-230 and lead-210. Moreover their dissolved concentrations in the tailings all meet or are less than Canadian surface and drinking water guidelines and objectives except manganese, which slightly exceeds an aesthetic drinking water guideline.

(c) In the dissolved form, cadmium, lead and zinc all occur at concentrations in the tailings equal to or less than local freshwater background conditions, and all three meet or are less than Canadian surface and drinking water guidelines and objectives.

I would emphasize the word "less", Mr. Speaker. The findings continue as follows:

(e) A "cloud" of fine tailings containing approximately 4 per cent of the total daily solids from the Amax/Kitsault discharge is not expected to result in increased loads of dissolved substances in the Alice Arm water column.

I could go on and on. I make the point that the speech we have heard today from the hon. member for Skeena is not relevant to the environmental question. What we have heard, if anything, is an attack on the integrity of the Lieutenant Governor of Ontario and, I submit, an attack on the integrity and the competence of the three noted scientists of the University of British Columbia who carried out the study and made this report.

An hon. Member: Read the papers.

Mr. Tobin: What papers? You make a charge and I say to any hon. member who makes a charge in this House, "Back it up," and I use this expression not in any emotional sense, "Put up, or shut up."

In response to the specific term of reference to examine and recommend any alternative tailings disposal methods which would significantly reduce or preclude hazards to the fishery resource, the panel concluded that the marine disposal method was environmentally preferable to any sort of land disposal scheme that is technically feasible. This confirmed the earlier conclusion arrived at by departmental experts with regard to the land storage alternative.

The panel recommended a number of actions and that further studies be undertaken, the most significant of which are as follows:

1. The tailings outfall pipe be extended to a depth of 100 metres to ensure regular compliance with the regulations.

2. Research on methods to reduce cadmium, lead and zinc in the tailings should be accelerated. Implementation of an abatement program for these substances is recommended as being highly desirable.

3. A variety of research projects are recommended to provide an improved understanding of oceanographic processes in Alice Arm and biological effects of mine tailings.

4. In future, approval of special regulations should be contingent upon the preparation of an adequate environmental impact statement, and an opportunity for public scrutiny and input should be provided.

I take great pleasure in telling you that on these specific recommendations the Minister of Fisheries and Oceans has already held discussions in British Columbia and subsequently has been in touch by letter with the president at Alice Arm to ensure that the intent of these recommendations is being carried out.

In summary, I would simply say again that I have done my homework, not having been privy to an examination of the scientific data and facts concerning the environmental question at Alice Arm, but I was disappointed to hear an unsubstantiated series of insinuations designed more to score political points because I expect more of the hon. members. This was done on the backs of the Lieutenant Governor of Ontario, of the

scientists from the University of British Columbia and, saddest of all, obviously on the backs of the Nishga Indians.

Mr. Fulton: Mr. Speaker, I rise very briefly on a point of order. I took care not to interrupt the hon. member while he was speaking, but I noted that he made some mention of the fact that I was not in the House. I would just like to inform the House that I was called out for a few moments. I am back and I want to say, in view of the hon. member's remarks, that I had hoped he would take the time to read the motion we are debating. We are debating the tabling of papers, not the environmental question.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would simply like to read the motion into the record again, as follows:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House before March 2, 1981, copies of all correspondence, telegrams or communications exchanged between Mr. John Aird and Cabinet ministers and/or their past or present staff regarding the permit for Amax Limited at Alice Arm.

● (1750)

All that the government needs to do, Mr. Speaker, is to agree to that and release the papers. Then people can judge for themselves. Does the government agree to tabling this? Does the government agree to table all correspondence that has taken place? We would like to know that. The people would like to know that because serious questions have been raised.

Some hon. Members: No!

An hon. Member: Why?

Mr. Manly: The parliamentary secretary has said that the hon. member for Skeena (Mr. Fulton) was involved in a carefully orchestrated series of insinuations. He questioned his motives. I would like to point out to the parliamentary secretary, and to all hon. members opposite, that if they wish to question the motives of the hon. member for Skeena, they will also be questioning the motives of the Nishga people, of all Indian people on the northwest coast, of church groups and unions, all of whom are vitally concerned in getting this basic information so that they may know what has happened in the past.

The parliamentary secretary said that the hon. member for Skeena reflected on the integrity of the Lieutenant Governor of Ontario. I do not wish to comment on that, but I simply want to reiterate the facts that up until September 12, 1980, the present Lieutenant Governor was on the board of Amax. On September 15, 1980, he became Lieutenant Governor of Ontario. I would like to ask why it was that he resigned.

I would like to read into the record some material from the Canadian Parliamentary Guide relating to the Hon. John Black Aird and the corporate directorships which he still holds.

An hon. Member: Is that criminal?

Mr. Manly: He is listed on page 783 of the Parliamentary Guide for 1980 as holding the following:

General Counsel and Director: Reed Shaw Osler Limited. Deputy Chairman of Board and Director; Algoma Central Railway. Vice-President and Director; Pacific Atlantic Canadian Investment Co. Ltd. Director; American Climax Incorporated. Bank of Nova Scotia, Canadian Tungsten Mining Corporation Ltd. Consolidated-Bathurst Ltd., Dominion Glass Co. Ltd., National Life Assurance Company of Canada, Rolland Paper Co. Ltd.

That is a fairly impressive list, Mr. Speaker.

An hon. Member: What is the matter with that? What is your point?

Mr. Manly: The point is that up until September 12, 1980, John Aird was a member of the Board of Directors of Amax, and he thought it was necessary to divest himself of that directorship before he assumed the lieutenant governorship of Ontario.

An hon. Member: We all do.

Mr. Manly: I would like to stress the importance of having these papers released. I remind hon. members—

An hon. Member: What papers?

An hon. Member: What does that mean?

Mr. Manly: —of the papers that are mentioned in the order. I remind hon. members that this permit for dumping of effluent was given in the middle of the 1979 election. The Indian people were not aware of what was involved—

Some hon. Members: Come on!

Mr. Manly: Hon. members opposite can laugh, but we all remember that during the late 1960s and early 1970s people were very concerned about mercury pollution in the English and Wabagoon River system. People were not aware of what the effect of mercury pollution was until a decade ago. Now we are aware of some of the dangers of this kind of dumping, yet we are continuing to do it.

The people in the English and Wabagoon River area are having extreme difficulty getting some kind of compensation. At Alice Arm, the Nishga people do not want to be involved in long litigation to get compensation for past wrongs. They want to prevent damage to their environment right now.

An hon. Member: That is fair enough.

Mr. Manly: The hon. member for Esquimalt-Saanich (Mr. Munro) feels that Amax has been a responsible corporate citizen. He suggests that it is wrong for us to mention their operation in Namibia, a country wrongfully held by the government of South Africa. The United Nations has condemned South Africa for this. I suggest to the hon. member that this is all part of a pattern of rip-offs by that company.

If members opposite believe there is no foundation to the suggestion of political pressure brought to bear in the issuance of permits, let them accede to this request and have any correspondence or telegrams between John Aird and cabinet

ministers or their staffs released to the public so that everyone may know what has taken place. Why not release the background papers relating to the issuance of these permits? Let us clear up any doubt that exists, and let the people know.

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, I say to my good friend from Skeena (Mr. Fulton) that this is the old one-two punch from the Newfoundland end of the country.

I share the view of my hon. friend from Humber-Port au Port-St. Barbe (Mr. Tobin) who is Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. LeBlanc). I cannot see what the issue is, frankly. The Minister of Fisheries and Oceans has given a full explanation in this House of the manner in which Amax was permitted to dispose of its tailings. There was a detailed examination of the environmental impact undertaken by the Department of the Environment and the Department of Fisheries and Oceans. The House knows there was a special review of all the data on which the decision was based. This was done by an independent panel of competent scientists from outside the government. The result of that inquiry showed there would be no significant negative impact on the fishery in Alice Arm.

These are the facts and even the member for Skeena has not disputed them. They are on public record. I ask, as did my hon. friend from Humber-Port au Port-St. Barbe; what papers does the hon. member want? He has the results of the independent panel, and there is all kinds of documentation on this issue. The message is always the same. If there had been something in the scientific findings that hinted at skullduggery or wrongdoing, I would be inclined to think he might be on to something. But he is just on a wild goose chase. What does the hon. member for Skeena want? He has the categorical statement of the minister that the Amax decision was reached through the normal regulatory process. Even a cursory glance at the record should tell him that the approval was straightforward, proper and not different from many other decisions made in this context.

I submit that the hon. member for Skeena does not particularly want to look at the record. He does not want to be baffled by the facts. He has got himself a lot of ink out of this one, you must remember. Like any politician, he is reluctant to let a good thing go.

An hon. Member: A headline hunter.

Mr. Simmons: What is most contemptible, Mr. Speaker, is that he is prepared to waste the time of the House on this issue, which he has done for many hours in this session and in the last session. He has unnecessarily raised the fears of the people who are most directly involved, despite all the facts to the contrary. Since he is the member for that region, he should be providing some sort of leadership in getting to the bottom of this issue. But what does he do? He shunts the record aside. He asks that the realities be ignored, and presses on to get a few more headlines. That might be very good short-term politics, but it is not terribly responsible.

• (1800)

The Minister of Fisheries and Oceans has noted an editorial in the Vancouver *Province* which described the Amax situation as a storm in a teacup. After listening to the rhetoric of the hon. member for Skeena and then looking at the report of the review panel, the *Province* said, and I quote directly from the editorial: "We now learn that the Amax tailings are less poisonous than our tap water".

I move the adjournment of the debate, Mr. Speaker.

The Acting Speaker (Mr. Blaker): With great hope I ask the hon. member that he not move the adjournment of the debate. We are not at that stage. We are simply at six o'clock, and if the hon. member will allow the Chair not to consider that suggestion, we will adjourn until eight o'clock.

The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURES RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works and Motions Nos. 7, 8, 9 (Mr. Andre for Mr. Wilson) and Motions Nos. 10, 11, 12 (Mr. Skelly) and Motions Nos. 13, 15 (Mr. Andre for Mr. Wilson) and Motions Nos. 16 and 41 (Mr. Skelly).

The Acting Speaker (Mr. Blaker): When the debate was interrupted at five o'clock this afternoon, the hon. member for Carleton-Charlotte (Mr. McCain) had the floor.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, earlier I mentioned the steps which had been taken by the government of the United Kingdom when it found itself facing rather large expenditures in the field of energy. Let me read a short excerpt from Keesing's "Contemporary Archives". It reads: "Together with unspecified fiscal adjustments to be made later, certain increases in direct taxation and the sale of

part of the public holding in British Petroleum, but partly offset by additional expenditures to help employment and investment, these further measures are estimated to enable the public sector borrowing requirement to be cut by two billion pounds."

I read that because the public sector has a place in the United Kingdom, even under socialism. Second, the Canadian people should have an understanding of the amount of public money which will have to be collected, either from the sale of bonds, at whatever price the market will extend to this country, or from taxation.

I would like to see this country proceed with this bill and this policy with its eyes open and with an understanding of how that trillion dollars is going to be raised. Can the public treasury support that kind of expenditure? It will have to on the route we are taking.

This government has been guided more by jealousy than by practical economics. Its jealousy, coupled with philosophy, has led it to decide that those provinces which have it shall have it taken away; the control, the revenue, the whole ball of wax is going to be appropriated by the national energy policy and by this legislation. However, the taxpayer is going to have to pay.

The question that must be asked in this mixup, this maelstrom of policy, is why the minister, the government and the backbenchers support the idea of behind doors dealing. If there are assets in the Canada lands, why are they not going to be auctioned off instead of dealt out as favours?

This is no laughing matter, no sneering matter. There is not a nation in the world with assets which deals them out without a public auction. Even worse, when we go behind closed doors, there is no obligation on the minister to reveal to the public at large what has been given to whom and how it is being managed. There is no secrecy requirement in the auction of lands with potential in the energy field.

This is merely a way to set back development, coupled with the almighty power vested in the judgment of the minister or his designated civil servant. If you are not frightened by any other regulation or civil service dealing with the public, just stop and think. In the income tax field, the fishermen, farmers and foresters today are being charged and challenged to prove that they are innocent. Are we going to find ourselves in a comparable situation to this?

I fear for this country. It discourages an aggressive individualist approach to the development of all things which are the best for Canada. In all other jurisdictions, whether it be Australia, the United States, Indonesia or some country more socialist than that, there is encouragement for foreign capital to come in on a contractual basis, knowing precisely where they stand, what their future may be, what their reasons are, and what their tax burden will be.

We do not extend that to our Canadian exporters or to multinational exporters. We constrain them to the point where Canadian companies are the ones pouring their money into Indonesia, Australia, the United States or any other area which promises a firm and fixed structure, something we lack.

There have been three about faces since 1976. This government has made contracts, rules, regulations and laws which, directed by their jealousy and greed, they have now cancelled. Nobody knows from one year to the next where he will be. Nobody has any way of knowing where he will be tomorrow, let alone a week from now after this act is proclaimed, because it will be in the hands of a greedy, shortsighted minister with respect to the values that this great resource could give to this land.

There is another sphere of Canadian activity where fear is experienced. It would be ridiculous for an executive of an oil company to attack this government and then expect to get a contract from the Minister of Energy, Mines and Resources (Mr. Lalonde), or the administrator of the Canada lands regulations and licensing. We have extended that part of our life in which fear is the dominant factor. It is a gag on the expression of public opinion by an individual involved in the efforts of this land.

We have carried it to the point where we have alienated our friends. We need friends. However, we have alienated them by regulations which have prevented our development of hydroelectric capabilities because we have not chosen to extend export permits for the short-term relief of the United States and the long-term economic gain of Canada. That has been denied because of jealousy and greed by this government. Provinces and corporations have been denied the right to export energy which might be generated from nuclear fuel. With what result? The economic energy group of Canada is virtually bankrupt. We will probably be writing off more of their bills sometime within the next two years. This would have been absolutely unnecessary, had we not been blinded by greed and jealousy. It would have done another thing for us; it would have done a great deal to improve our balance and to strengthen the weak Canadian dollar which is at present contributing to inflation. This has been done by blundering, jealous or greedy individuals.

• (2010)

What industrial strategy do we have? This bill cannot be considered, or any part of it, without a projection of how the people of Canada will generate a trillion dollars in 20 years. What is the government going to do to encourage the cash flow which would make it happen? Are we, in fact, going to strangle our own development? Should we be so greedy as not to accept foreign investment? Or, even worse, discourage Canadian investment in our own resources? These are tragic and suicidal approaches to the long term and best interests of Canada. I say to every member of the government, we need a long-term plan for a trillion dollars. If this energy package is going to generate that kind of money, then this is what we should have. But let us see it in black and white.

This government does not have a five-year energy policy because it has changed its tune several times in that five-year period. I am one who is concerned and interested in Canadian ownership of our energy structure, as is any hon. member. I believe I am more realistic than those in government who say

that all we have to do is to tax the stuff and the Canadian people will pay for it, or that all we have to do is to borrow the money, from God knows where, in the quantities we require, or that all we have to do is to put together a package whereby the free enterprise system, coupled with the state—I am not saying that we should abandon it—has a chance to play its part, and Canada has a chance to enjoy its riches.

Are you going to be jealous of Newfoundland? Obviously, you are, because you have impaired development of Hibernia by changing the regulations or refusing to give in. Are you going to be jealous of Nova Scotia with its offshore oil and gas? Is that what you are jealous of? Are you jealous of Saskatchewan? Are you jealous of Alberta?

This is not the way to build a harmonious nation; it is a way to divide it. This is not the way to develop a nation; it is a way to divide it. Let us give this nation some hope, some incentive. Let us scrub the stupid regulation structure which is extended to the minister and to his bureaucrats.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): The principal purpose of Bill C-48 is to ensure that Canadians have the right to decide their energy future. The vast oil and gas potential of the Canada lands, when coupled with provincial resources, will ensure that Canadians have the opportunity to achieve oil self-sufficiency by 1990. The legislation before the House helps to give Canadians the mechanism to achieve both a greater degree of participation and energy security.

Some hon. Members: Hear, hear!

Mr. MacLaren: Under the British North America Act, Mr. Speaker, the federal government was given jurisdiction over those immense areas now called the Canada lands, with their tremendous energy resources beneath. Those resources we intend should benefit all Canadians. That potential will, however, only be realized by recognizing that the government has the responsibility to accelerate exploration in the Canada lands. This will be done, as earlier speakers on this side of the House have said, with the greatest regard for the needs and requirements of the people of the regions and the fragile environment of the north and of the offshore. The Canadianization of the petroleum industry, a subject which has been touched upon a number of times during our discussion of the motions now before the House, ensures that the benefits derived from our abundant energy resources will stay here in Canada where they belong. The government of Alberta, in its recent agreement with the national government, and more recently the government of British Columbia, has endorsed Canadianization. In the case of the government of Alberta, it has undertaken itself to pay for the incentives to ensure that petroleum development goes forward, and at the same time, that Canadianization is promoted. Not to be excluded is the Ontario government, which we have seen recently take a one quarter share in Suncor.

Beyond the government's initiatives, there is now a whole panoply of private sector initiatives. It is difficult to open a newspaper without noting yet another development, developments which are promoted by the Canadianization incentives in the National Energy Program and, indeed, in Bill C-48 now before us.

The promotion of Canadian exploration, Mr. Speaker, will not only ensure that Canadians control their own energy destiny, but it will also allow Canadians to participate more directly in their own energy and economic future.

Some time ago, a prime minister of Canada stated, and I wish to quote him:

> —To an ever-increasing degree our resources have been in the control and under the ownership of a nation other than Canada. While we welcome foreign investment, at the same time we do ask that this investment be for the benefit of Canadians, with Canada's destiny constantly before those who control its industry . . . This vast, but exhaustible resource shall provide not only for the economic expansion in our country . . . but at the same time maintain for Canadians their sovereignty over their country because no nation worthy of the name can maintain its political sovereignty unless it has every regard for the maintenance of its economic sovereignty.

That Prime Minister, Mr. Speaker, was John Diefenbaker.

Some hon. Members: Hear, hear!

An hon. Member: He would support the bill.

Mr. MacLaren: The legislation we have before us, partly by providing a Crown share on Canada lands and a minimum of 50 per cent Canadian ownership from any production on those lands, will ensure a higher degree of the use of Canadian goods and services. That emphasis in the bill, which has been touched on so often by my friends in the New Democratic Party, is, indeed, an area where we as a government have placed great importance; but that is not to say we look for the exclusion of foreign participation. We look for a judicious mixture.

Our objective of Canadianization is really very simple. It is to increase the share of the oil and gas industry owned and controlled by Canadians to 50 per cent a decade from now. Our emphasis is on making room for Canadian oil and gas companies in the industry in Canada; not on forcing out foreign companies. There is no question that we intend to give Canadian companies the opportunity to grow more quickly.

As the Secretary of State for External Affairs (Mr. MacGuigan) noted recently, what we have not intended or done is to make the operations of large international oil firms unprofitable. For example, the net cost to U.S. firms exploring in Canada will remain lower than in the United States. In Canada we are dealing with an extraordinary situation. Throughout the 1950s and 1960s, non-residents owned nearly 80 per cent and controlled over 90 per cent of Canadian oil and gas assets, as the minister further noted. They also controlled nearly 100 per cent of the assets employed in refining and marketing operations. Canada did not have a single Canadian multinational oil company; not even a small one.

● (2020)

Those are circumstances which we on this side of the House do not wish to see continue. This is why we have put in place incentives for Canadians to play a greater role in their own petroleum industry. Not only does the legislation look toward the greater participation of investors, but also it promises thousands of new jobs, in the energy sector and in the supply of goods and services.

In that connection, I remind the House that when this bill first came before committee we recognized that, as originally drafted, the relevant provisions did not adequately reflect our intent that Canadian suppliers of goods and services should have a fair and competitive opportunity to share in procurement with respect to oil and gas exploration and development activity on the Canada lands, without at the same time discriminating against non-Canadian suppliers. Accordingly, during the course of the committee work, we modified the industrial benefit provisions in the bill so as to stipulate clearly that Canadian manufacturers, consultants, contractors and service companies have a full and fair opportunity to participate competitively in the supply of goods and services.

Not only did we do that in committee, we went further. With regard to the employment of Canadians, companies active in the petroleum industry will be required to submit a detailed manpower plan and to maintain close contact with the Canada Employment and Immigration Commission in the development and implementation of their plans. We shall expect such plans to include advance specifications of labour requirements and sourcing, recruiting procedures, training programs, company mobility plans and local hiring programs. The companies will need to indicate in detail the steps being taken to maximize the opportunities for Canadians to participate in the planning, construction and operation of the projects. In short, this legislation, while respecting all our international obligations, will give Canadians, whether in large businesses or small, new opportunities to participate on a competitive basis in the supply of goods and services.

Some reference has been made earlier today by an hon. member of the New Democratic Party to the laudable initiatives of the Minister of State for Small Businesses and Tourism (Mr. Lapointe) to promote a more viable and active small business sector in our economy. Small business initiative can, for example, spread more into the petroleum industry through the creation and promotion of consortia.The Government of Canada will not be laggard in providing such incentives to small business.

At the other end of the scale, megaprojects will also receive the active promotion of the Canadian government. Reference was made to the major projects task force report tabled earlier this year. That report was a notable achievement in business and labour co-operation which looked toward more active involvement for Canadians in the great new projects, many in the hydrocarbons industry, which will benefit all Canada.

To that end, a major projects office was established in the Department of Industry, Trade and Commerce which will ensure every opportunity for Canadian companies to participate on a fair and competitive basis in the development of our own energy resources.

Some reference has been made to the need in Canada for an advisory committee, involving business and labour as well as government, to ensure the maximum participation of Canadian suppliers of all types in our petroleum development. One motion which is now before us looks toward such a commission, and indeed sets forth the terms of reference for it. Such a possibility is covered by a motion which we have already adopted. It provides the minister with the opportunity to establish an advisory committee wherever the need is identified. The motion is neither necessary nor desirable when we have already acted in that area.

Much has been made of ministerial discretion under this bill. It has been claimed by some hon. members opposite that the minister's discretionary powers are somewhat too great. However, in such a vast and underpopulated country as Canada, especially in the great territories of the Canada lands, considerable discretionary power must be invested in the minister. Circumstances differ widely from project area to project area. It is simply impossible to reduce the varying circumstances, whether they be offshore, in the Arctic or on the lands of the north, to some sort of simple formula which would define the circumstances in every case.

In fact, what we need in this country, in the vast areas of our north and offshore, is some degree of discretionary power. Yet the discretionary powers envisaged for the minister are little compared to those vested in the minister of energy of the province of Alberta, an area which is much more populated and developed than the Canada lands. Let me cite one or two instances of ministerial discretion in the province of Alberta under the Alberta mines and minerals act. The minister may:

—restrict the disposition of or withdraw from disposition any mineral (defined to include petroleum) in any specified area in any manner he may consider warranted.

That is ministerial discretion. If that were not enough, the minister of energy of the province of Alberta may also:

—acquire by expropriation any estate or interest in mines or minerals (defined to include petroleum) where the minister is of the opinion that any or any further exploration for or development of those mines and minerals is not in the public interest—

If that discretion were not enough, another section of the same act goes on to indicate that the minister of energy for the province of Alberta may:

—demand that "a lease shall be in such form as may be determined by the minister and may include . . . any other terms and conditions the minister prescribes".

I should like to quote one more example of ministerial discretion in Alberta in order to make the point. Under the Alberta petroleum and natural gas reservation regulations, there is the following stipulation:

The minister from time to time may make such orders as he may deem necessary for the effective administration of these regulations, and where any questions arise pertaining to the interpretation or application of these regulations, the minister shall be the sole judge and there shall be no appeal from his decision.

This is only a sampling of the range of discretionary powers given to the Alberta minister who has power over an area much smaller and much more developed than the Canada lands. If such discretionary power is needed in such circumstances, are we to believe that no discretionary rights are required in the more challenging area of the Canada lands, where the climate is harsh and environmental concerns are more sweeping?

● (2030)

I should also remind the House that in some 13 places in the act there is the right of appeal against ministerial discretion if it is considered that it has been implemented in an arbitrary fashion. In all such instances, the minister's discretion is subject to review.

I want to turn for a moment to Motion No. 7 as an example why we on this side of the House oppose the motions brought forward by the opposition.

Motion No. 7 would amend Subclause 10(1) to add the words "subject to Section 56"; that is, subject to appeal. The effect of such an amendment would be to make the entry into an exploration agreement subject to the appeal process, which is to provide for a review of certain important orders made by the minister under the act. This would provide an opportunity for those affected by an order to object to it and to make representations.

In our view, it would be inappropriate to make Subclause 10 subject to Section 56. Subclause 10(1) merely provides that the minister may enter into an exploration agreement in the manner provided. In most circumstances, the minister would call for proposals and from those submitted he would select one for the negotiation of an exploration agreement. Upon the successful conclusion of such negotiations, the minister would enter into the exploration agreement.

It is difficult, for me at least, to see who would have an interest in applying to the minister for a hearing at that juncture. Certainly it would not be the party negotiating the exploration agreement with the minister. We believe that provision has already been made to deal with the intent behind the motion, and therefore, in our view the motion becomes unnecessary.

I should like to give one more example of a motion which, in our view, is unnecessary; Motion No. 9. Again, it is not clear who would launch an appeal under Section 56 as would be foreseen in this motion. It provides that every exploration agreement would be subject to the terms set out in the proposed Schedule A, which deals with manpower and procurement. The proposed provisions are drawn from the Northern Pipeline Act. While such provisions may be suitable in respect of a bilaterally negotiated agreement with the United States, it is doubtful that such explicit provisions would be appropriate in the quite different circumstances of the Canada Oil and Gas Act.

There are a number of other specific motions before us which I could deal with, but I believe that my time is just about up, Mr. Speaker. I will conclude by saying that the basic purpose of the clauses concerning Canadian procurement and ministerial discretion, is to help promote the Canadianization of our petroleum industry, a policy which carries the broad support of the Canadian people.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hon. member for Hamilton Mountain (Mr. Deans), acting House leader for the New Democratic Party.

Mr. Ian Deans (Hamilton Mountain): Thank you very much, Mr. Speaker. I hope I turn out to be a good actor. It is a difficult job, as you can appreciate, Mr. Speaker, to fill in, even temporarily, for the hon. member for Winnipeg North Centre (Mr. Knowles). Had he been here this evening, I think he would have wanted to add a few words to the debate that has taken place over the last few days, but since he was unable to be here, I might just take two or three moments to put some thoughts on the record with which I am sure he would concur.

I have listened to the debate off and on with considerable interest and sometimes I have wondered what we are talking about. You would swear that we were talking about a resource belonging to someone else from which we hoped to gain some advantage. And sometimes during the debate it would be difficult to realize that what we are talking about is a resource that belongs to every Canadian.

Some hon. Members: Hear, hear!

Mr. Deans: Not only are we talking about energy self-sufficiency for the future, but surely we are talking about maximizing the benefits to Canadians today and in the future of the exploitation of that resource.

In considering the fairly intricate legislation which is before us, the test that must be applied is the test of history. You have to begin with an understanding that, generally speaking, we have not been able to fully utilize the benefits that we ought to have received from resources that were Canadian in the first place. You need only look at the way we have wasted opportunity after opportunity in every single resource field to understand the perils that could lie ahead unless we are extremely careful about how we draft this legislation and what guarantee we put into it.

I am sure many members have travelled across northern Canada. I do not refer to the far north but to the area that might be called mid-northern Canada, that area that has been exploited over the last half century or more—Timmins, Chapleau, Sault Ste. Marie, Sudbury, northern Ontario, and the rest of the country. One only has to travel that country to see the way the resource was exploited for the benefit of the few to the detriment of the many. One only has to look at the devastation that was left, and then try to measure the cost against the benefit that we in Canada received.

An example is the mining industry. Did we receive any substantial mining machinery manufacturing as a result of having that magnificent mineral resource base in this country? Can we see in Canada a mining machinery manufacturing

sector which is second to none in the world and which reflects the value of Canada's resource? No, Mr. Speaker, it cannot be found. For mining machinery we go to the United States, to Scandinavia, to Germany. We bring it in, we pay for it, we mine our ore, take it out and ship it away.

Then there is the forest industry, an industry second to none in the world, but do we have a substantial world-class leading edge forestry machinery manufacturing industry in this country? No, we do not.

Mr. Kelly: Yes.

Mr. Deans: Development could and should have taken place because this country was so fabulously rich in resources. At every turn we missed taking advantage of that for this generation and for future generations. Now we have been given another opportunity. Now we have again discovered that we are rich. We can be self-sufficient. But whose direction are we going to follow? Are we going to assure that in Canada there will be the development of the machinery that extracts from the ground and below the ocean? Are we going to make sure that a machinery manufacturing base is established in this country on a world scale? Are we going to take advantage of the tens of millions—of trillions—the Royal Bank says that it will be a trillion dollar expenditure—over the next 20 years? Does anyone have any idea of what a trillion dollars is? When you go to the bank to cash your cheque, can you imagine what a trillion dollars looks like, even spread over 20 years? I certainly cannot and most of my constituents cannot. But one thing I do know is that unless we take advantage of every opportunity to use that money to secure the economic well-being of this country for the next generation, we will once again have sold out our birthright.

● (2040)

That is what we are talking about in these amendments. That is exactly what these amendments speak to. We are talking about maximizing industrial benefit for Canadians. We are talking about maximizing employment opportunities, not only now but over the course of the development, by putting in place an industrial infrastructure, thus guaranteeing that we will be on the leading edge of technological change for the requirements of future generations. We are saying that as we tax Canadians, either through the tax structure or through the payment for the resource needed to heat their homes, to run their cars and to operate their businesses, by far the vast majority of those tax dollars should be used in Canada to provide Canadians with the kinds of opportunities that will secure the future of Canada.

That is what this is all about. That is why these amendments are here. We want to learn a lesson from the errors of the past. We want to learn, as my good friend from British Columbia has said to me many times, how to take advantage of mistakes made so as not to make them over and over again. We need not look back into our own history to see the errors. We need only look at the mistakes made in Scotland.

An hon. Member: They made a lot of mistakes like that.

Mr. Deans: That was not only when they let me leave. But when the North Sea oil was discovered, mistakes were made. The British had finally put their hands on energy self-sufficiency, but in the their haste to take advantage of it, they found themselves losing out in terms of the economic benefit they might have reasonably obtained from the significant investment that had to be made.

The Economic Council of Canada, in a study of the North Sea oil development, points out that 60,000 jobs were created in Scotland in 1976. One hundred thousand jobs were created in Britain over all, but 200,000 jobs were created in the United States as a result of the North Sea find and the economic development resulting from the British taxpayers' investment in the development of the project.

Mr. McDermid: In Canada, too.

Mr. Deans: Are we going to do the same thing? Are we going to learn? It took some time, but the British finally twigged. They realized that they were paying out millions and millions of pounds, but the significant benefits from the project were flowing to other parts of the world.

In other words, the long-term benefits of economic and industrial development and the job opportunities that follow were flowing out of Britain. Therefore, the British offshore supply office was set up. That particular structure may not be entirely applicable in Canada, and in that connection I want to propose another one.

Mr. McCauley: Why don't you get to the bill?

Mr. Deans: It is interesting that the hon. member should ask that. It is an indication of a lack of understanding of what is contained in the legislation or of its import. However, I do not expect anything more or less.

Let me say that when the British finally understood what it was all about, they finally took steps to correct it.

What do we propose?

An hon. Member: Heaven knows!

Mr. Deans: I think the Liberals are feeling a little nervous tonight. I do not blame them. It has been through successive Liberal administrations that the rip-off has taken place.

Some hon. Members: Hear, hear!

Mr. Deans: It is because of that very narrow view of the future of the country that the country is in the present mess. I can appreciate the Liberals' embarrassment, but they should not compound it with their interjections.

Some hon. Members: Oh, oh!

Mr. Deans: There are people in this country who have devoted a great deal of time, effort and energy in trying to come up with solutions. To a great extent, we have incorporated much of what these people have recommended in the amendments we placed before the House.

I want to say to government members, those who are listening, those who are reading and those who are chatting, that it might serve them well, since it is not yet too late, to think a little bit about whether or not they are in fact maximizing their return on this huge investment that has to be made.

Mr. Kelly: Have you read it?

Mr. Deans: Have I read the bill? Yes, I have read it. I have reread it. I have carried it back and forth to Hamilton on my weekly visits. I have sat in my office in the middle of the night fretting over it. I want you to know that this bill has been committed to memory.

An hon. Member: That is your fault.

Some hon. Members: Hear, hear!

Mr. Deans: I say to you, Mr. Speaker, that in having committed the bill to memory, it has distressed me.

Some hon. Members: Oh, oh!

An hon. Member: You should be committed.

Mr. Deans: My colleague asks me whether I dream about it. I want to tell hon. members that I have nightmares.

An hon. Member: Tell us how wet your pillow is.

Some hon. Members: Oh, oh!

Mr. Deans: The kind of comment that flows at this point is a reflection of the lack of concern by Tories and Liberals for the future of the country.

Let me suggest to government and Conservative members who, noisy though they are, still have a grain of common sense left somewhere, I am sure, that they should take a moment or two to compare what we have recommended in our amendments with the recommendations contained in the major Canadian projects and major Canadian opportunities book produced by a joint effort of business and labour in Canada. I think this is probably a blueprint for the future of this country if it is read, understood, utilized and instituted. I will summarize an interesting article written by Deborah McGregor in the *Financial Times* of Canada, dated June 22, 1981, I hope she sends me a note thanking me. Part of the heading reads "Canadian content is crucial". Deborah McGregor writes:

> Essentially, the 96-page report is a resounding vote for the use of Canadian content in the $440-billion worth of major projects planned across industries from energy to defence over the next 20 years.

That is exactly consistent with what we are saying. This whole approach is what they are dealing with, and we have to give recognition to that. The article continues:

> It is an unabashedly nationalistic document—

We are all nationalists these days, even the most right wing Conservative is a nationalist in his or her own way.

Mr. Crouse: That is hard to believe.

Mr. McCauley: Not the Conservatives.

Mr. Deans: Let me put it again because I can hear hon. members muttering, and I want to be sure you all hear it. The article reads:

> It is an unabashedly nationalistic document, arguing that emphasizing Canadian content—whether it be in the form of manpower or supplies for the project—is crucial to the country's industrial well-being.

Please note the words "emphasizing Canadian content". The group goes on to explain in its report that there is absolutely nothing wrong with spending your money in your own best interests. They also point out that there is nothing to be ashamed of in taking Canadian tax dollars, which are to be spent in Canada, and using them to build an industrial base for Canadians.

● (2050)

The report goes on to make some recommendations. I see my time is running out but I want to run through these recommendations quickly with you because I can tell from the way you are listening, Mr. Speaker, how interested you are. This is the first recommendation, and I want hon. members to listen because I know they have not read this and I want them to hear it for the first time. The first recommendation is:

> That a special agency be set up, run by labour and business but funded by government, to monitor planning on major projects and to ensure that project sponsors comply with Canadian content guidelines. Chief among those guidelines would be that first preference be given to Canadian owned suppliers in the planning and purchasing for projects.

I would like to see any member stand up and tell me that he does not want to see Canadian industry assisted by Canadian tax dollars developed in Canada. Let him get up and tell me he does not want the benefits of the jobs, and he does not think we should give preference to Canadian companies in the development of the Canadian industrial sector as a result of megaprojects that are, we hope, about to create energy self-sufficiency.

An hon. Member: It's in the bill.

Mr. Deans: The bill does not contain it. The second recommendation is:

> That companies be willing to pay a premium of up to 3 per cent of the total project's cost for Canadian content.

The bill does not contain that. The third recommendation is:

> That Canadians should have full access to top managerial, technical and professional jobs on the projects.

The bill does not contain that. The next recommendation is:

> That where foreign capital is needed for projects, it should come in the form of debt instead of equity, so that Canadians have the fullest opportunity to share in the ownership of the projects.

The bill does not contain that. Finally it is recommended:

> That skill shortages among Canadian workers be improved by a variety of means—

The recommendation goes on to tell us what they are.

To conclude, what I am saying is simply this. We have seen how badly the natural resource base of the country was

managed in the past. We can learn from the experience of other countries which have fairly recently come into the oil and energy business and have been able to monitor the losses they have incurred. We can look at this and we can learn. I suggest to this government, before it is too late, that it put into this legislation in explicit terms the guarantees that will make sure Canada benefits from the development of Canada's resources and that they be of lasting benefit.

Some hon. Members: Hear, hear!

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin by dealing with the matter that is before us, unlike some other speakers in this debate we have just heard tonight. Let me just outline for the record that the matter before us is a matter of motions that basically amend Clause 10 of Bill C-48. That clause in turn deals with the matter of exploration agreements and the ministerial discretion involved in the issuance of these exploration agreements. I merely wanted to put that on the record to show that very little in legislation is ever new. Any person who has experience in legislative matters or has involved himself in legislation in the provinces of Canada or in the federal Parliament will know these are simply regurgitated provisions from other statutes. Anybody who has dealt with urban planning will recognize these provisions as what is known in that field as "contract planning".

What these provisions do is very simply this: after enacting very complicated statutory provisions with great restrictions and protections, the provisions allow you to simply set them aside, sit down with a person who may be a friend, or a person with whom you can deal at arm's length, and write whatever deal you want to write. That is what an exploration agreement can do. That is why we are concerned with this matter and that is why we want some amendments to make sure that any exploration agreement which is written will be fair and will have the protection of other provisions of the act which check ministerial discretion. That is why we are here tonight.

I could go on and talk about the specifics of the bill, but I am afraid earlier speakers have got me off that subject. I want to deal with the remarks by the parliamentary secretary, the hon. member for Etobicoke North (Mr. MacLaren), because I never heard such a massive distortion of the National Energy Program and the effect it is having and is going to have on Canada and Canadians.

I will dismiss my friend from the NDP to my left by simply saying this. It would be nice to think that all Canadians were willing to sit down and pool all the resources in one pot and divide them up by the number of people in Canada. That is not the way the system works, and it never will work that way. Those people had better start to realize that and they had better start dealing with the practicalities and realities of Canadian life.

Some hon. Members: Oh, oh!

Mr. Crosby: Let me tell you that this country was built on initiative and incentive. It was not built on giveaways, it was not built on sharing the wealth, and it will not last for another decade if that is the principle by which we are guided. We have to build incentives into our system, we have to encourage initiative, and we have to get Canadians working. We cannot give our resources away, and there is no reason for those who have worked and earned something to share with those who refuse to work and earn. I will stand on that principle and defend it anywhere in this country.

The hon. member for Etobicoke North, as I indicated, gave a dissertation on the National Energy Program, of which this Bill C-48, the Canada Oil and Gas Act, is an emanation. It prompted me to get the Canadian Parliamentary Guide to have a look at the background of that hon. member. I saw right away that he was once in the diplomatic service. I do not know if that accounts for his kind remarks about the Secretary of State for External Affairs (Mr. MacGuigan), but I can say that he certainly is a diplomat and put the best possible light on the effects of the National Energy Program and of Bill C-48 which arises from it.

He is wrong in practically everything he said about the National Energy Program. Let met make it very clear that I am no lobbyist for the oil industry. I am a simple lawyer from Halifax, Nova Scotia. I have spent my time on the legal aid program, I have spent my time on social services, but I have difficulty getting oil companies to deliver oil to my premises on a winter night, the same as do many other Canadians. But I want to say this. The private sector, whether you like it or not, is the sector which has developed the energy system in Canada, and unless that private sector is encouraged to go on with that development, it will certainly not happen. It is as clear as that. The Minister of Energy, Mines and Resources (Mr. Lalonde) is not going to man one oil rig anywhere. He is not going to bring in one barrel of oil and, in most cases, the people he has put in place to do that do not know any more about the industry than he does. If you do not believe that, go and ask anybody.

An hon. Member: That is absolute baloney.

Mr. Crosby: The hon. member says it is "absolute baloney". Unfortunately the member does not go out to the Alberta oil sands. He does not sit down with the members or representatives of Syncrude to talk to them and find out what their problems are. He does not go to Cold Lake to see what is happening there.

The National Energy Program and Bill C-48 deal with Canada lands. Canada lands, for those who do not realize it are the offshore lands on the east coast of Canada and on the Pacific coast, and the lands in the northern part of Canada in the high Arctic. The rules and regulations which relate to the development of those lands are quite different from the rules and regulations that govern the development of the land in more developed areas. When the parliamentary secretary comes before this House and reads provisions from the Alberta legislation and says that those same provisions are justifiable in relation to an oil rig that is miles off the coast of Canada and that the government should govern exploration in the high Arctic, he is simply not giving the facts, because that is not

true. We are not talking about oil rigs in place a few miles from a city like Edmonton, as is the case with Leduc. We are talking about very dangerous and difficult conditions offshore and in the high Arctic.

• (2100)

The legislation which the government is bringing before this House has to stand on its own merits. It is not like any other legislation in Canada. It is not like legislation in Alberta, and the minister cannot justify it on those grounds.

Another aspect of the National Energy Program is Canadianization. As the hon. member for Carleton-Charlotte (Mr. McCain) pointed out, everyone is in favour of Canadianization. We would like every company in Canada to be owned by Canadians. We would like every project in Canada to be conducted by Canadians. But is it realistic to expect that at this point in time? Is legislation the way to achieve it? Is that how you encourage people to buy and own things—by passing a law? I do not believe so. You must motivate people to buy, you must encourage them to invest. You should make it clear that Canadianization is good for all Canadians. But you cannot make it happen by passing legislation in Parliament.

What is Canadianization? The government gives us the example of Dome Petroleum. It issued press releases saying that Dome Petroleum, a company exploring in the Arctic, allegedly building supertankers and LNG carriers, doing all sorts of things, is an example of Canadianization. It tells Nova Scotians it is going to build shipyards. It tells people in the Arctic it will bring out gas, develop oil resources, and so on.

The officers of Dome Petroleum said they would follow the National Energy Program and would Canadianize. They said they would set up a company called Dome (Canada) Limited and issue shares to Canadians. This Canadianized company will be developed under the National Energy Program. It says it is going to do things like that because this program can work.

I heard the Minister of Energy, Mines and Resources (Mr. Lalonde) say that Dome could supply Canada's energy needs if it brought in all the projects it had on the drawing board. We do not need to look any further. Dome Petroleum could solve Canada's energy problems and make Canada energy self-sufficient. The government set up Dome Canada, which marketed its shares to ordinary people across Canada. I am told that people in Alberta mortgaged their houses to buy shares in Dome Canada. Those shares cost $10 each. Today they are worth in the region of $5.50. Is that Canadianization?

You cannot make Canadianization happen by law. Instead, you must encourage it by setting up realistic programs which take into account the realities of Canadian business life. It must happen because people realize and recognize that it is a good thing and want to participate.

We know the value of Canadian ownership. We are Canadians too. We want Canada owned by Canadians, but we want it to come about in a logical manner, a manner consistent with the principles upon which this country was built. It is not simply a matter of legislative draftsmen and a couple of bureaucrats, who think they know something about energy and the oil industry, sitting down and developing a National Energy Program and drafting a legislative measure like Bill C-48.

Unfortunately, there are members in the NDP opposition who embrace the bill and say that it will work and that this is the way to bring about Canadianization.

Mr. Waddell: We have not said that.

Mr. Crosby: It will not work. What we are all trying to do is to achieve energy self-sufficiency for Canada so we will be in a position where we do not have to depend on foreign powers. We do not have to cross oceans to buy on the world markets. We will have all our own energy supplies. Is that not what the members of the New Democratic Party want? Is that not what the government wants? Is that not what every Canadian wants?

An hon. Member: We can have even more.

Mr. Crosby: The question is, how are we to achieve it? In Alberta they have a massive natural resource called the tar sands. They may have to get the tar sands out with equipment bought in West Germany or somewhere like that, but the resource is there. They are getting the oil out and are taking it out of the sands, and it is there now.

An hon. Member: That was the same reasoning which was used to destroy northern Ontario.

Mr. Crosby: They have tons of it. It is there to the tune of 100,000 barrels a day. But they cannot develop it because they cannot get the price for it. It is not economically feasible. The government says it is not going to negotiate. It is not going to give them that price. It is going to keep that development suppressed. There will be no development until the developers negotiate a price agreeable to the Government of Canada. We are talking about dollar bills. Developers want a certain amount of dollars to get that oil out of the ground and into Canadian vehicles and homes.

One can argue, as the Minister of Energy, Mines and Resources argues, that you do not need that much money. I do not know how he knows that they do not need that much money. But if he cannot get the people who are developing the oil sands to carry out the project for that price, and if he still thinks it can be done for that price, why does he not get someone else to do it, if he is correct in his figures? There are businessmen across the world who are only interested in making dollars. But the answer, of course, is that he cannot get anybody, he will not get anybody, and he will not even try. So, if the developers will not accept the price, the project is finished and we will not get energy self-sufficiency from that one source.

That would be all right, Mr. Speaker, if we could utilize other sources, such as the east coast of Canada, the submarine lands off Newfoundland or off Nova Scotia. The submarine lands off the east coast contain massive deposits of

hydrocarbons, so they say. I hope it is true. Developers say that in Hibernia the oil is there, it has been found. Yet they are not taking it out of the seabed. They are not taking it from the seabed because it is not worth their while. They are not getting enough money, they say. I do not know whether that is true or not. But neither does the Minister of Energy, Mines and Resources.

Mr. Speaker, if we are to achieve energy self-sufficiency, which is the whole purpose of any energy program, we have to deal in an honest and sensible way with these problems. The Alberta tar sands project has to go ahead, not for the benefit of the government of Albeta but for the benefit of the manufacturers of Ontario, in order to make it possible to develop the massive machinery that is needed in Canada. These projects simply have to go ahead.

Nova Scotians and people from Prince Edward Island should know that they are affected by these matters, that it is a contribution to the national wealth and the economy. We are all affected. The task of the government is not to railroad Bill C-48 through this House by the force of its majority. The task of the government is to achieve energy self-sufficiency for Canadians. We can do it by developing the Arctic, by developing the Alberta tar sands and by continuing the search and development of oil and gas off the east coast of Canada. It can be done. The question is, why is the government not taking the action which will ensure that these projects are carried out?

Mr. Speaker, I wish to comment briefly on a number of other matters which are affected by this bill. But first I would like to comment on something said by the hon. member for Etobicoke North. The hon. member referred to the Right Hon. John G. Diefenbaker and said he would have supported the National Energy Program. I can tell the hon. member that it is not so. If the right hon. gentleman were in this House, he would be out of his chair in a flash, and I will tell hon. members why. You will be surprised, Mr. Speaker, to know that I worked for an oil company in 1962 when the right hon. gentleman was prime minister.

● (2110)

Mr. Waddell: I am not surprised.

Mr. Crosby: I worked for legal aid too, a lot longer than you did, son.

Mr. Waddell: That is not true.

Mr. Crosby: The right hon. gentleman implemented a policy by which Canadian oil had to be used west of the Ottawa valley. That oil cost about $10 or $12 when the world price for oil was under $2. He did not quarrel about the price of oil. He developed the Canadian oil industry. The hon. member could not be more wrong. Mr. Diefenbaker developed the Canadian oil industry by providing a price which allowed the industry to bring the oil out of the ground and to develop a viable industry in Alberta, which today is probably saving the Canadian economy.

The hon. member needs a lesson in history. Mr. Diefenbaker was willing to bite those bullets. He was willing to ensure that the Canadian industry was developed, and he was not going to quibble about prices. He was not going to argue with people. It had to be done, and he did it. That is why we have an oil industry today, and the hon. member opposite and the Minister of Energy, Mines and Resources are doing just the opposite. They are trying to destroy the Canadian energy industry by not taking a realistic view of the price. They are trying to buy off consumers in Nova Scotia and elsewhere with unrealistic policies which relate to pricing, the result of which is that the energy projects which are so necessary to achieving self-sufficiency in energy in Canada are being delayed, discontinued or abandoned. Oil rigs are leaving Canada. There is ample evidence of that. Projects are being delayed. We are not getting on with the business of energy self-sufficiency.

I think my time is coming to an end. However, there are many other problems involved in this bill and in this particular provision of the bill. It is partly a matter of trust. The Minister of Energy, Mines and Resources and his government have lost the faith and the trust of the Canadian energy industry. That may be the biggest obstacle to development today. There is no longer the kind of trust in the government that is necessary to encourage the private sector to get on with the business of developing the projects necessary to achieve energy self-sufficiency.

I have spoken about western Canada but, of course, my heart is in the development of resources off the coasts of Nova Scotia and Newfoundland. I do not believe for one minute that that development will go ahead in this climate of distrust. I do not believe that development will go ahead until the government re-examines its policies and legislation like Bill C-48, listens not only to members of this House but also to the energy industry across Canada, and reviews its policies in the light of the valid criticisms which have been made.

There is no need for furore in this House on subjects like energy legislation. Surely all hon. members realize and recognize that not just members of this House but all Canadians are trying to achieve the same goal. In opposing provisions like Clause 10 seeking amendments and challenging other provisions in this bill, we on this side of the House are trying to achieve one thing: we are trying to get the government to re-examine its policies, to look at the criticisms which are being made and to act upon them because we think if that action is taken, if policies are re-examined, if the proposed laws are rewritten and if a sensible approach is taken to pricing and to other aspects of the energy dispute, then the private sector, even if with the help of Petro-Canada, will get on with these projects. We will achieve energy self-sufficiency and not be involved further in debates like this, which are damaging not just to the Canadian economy but to all Canadians. They create regional conflicts which are totally unnecessary.

I will finish simply by saying; let us get on with the task. In the interests of Canada and Canadians.

Mr. Albert Cooper (Peace River): Mr. Speaker, I have taken a keen interest in this bill, Bill C-48. We spent a fair amount of time on it in the committee. All members of this House worked on it there. We have done a number of things because I think we feel it is an important bill.

I have a particular interest in the energy field because my riding depends on the energy industry to a large extent and has an interest in it. In fact, roughly 15 per cent to 20 per cent of the jobs in my riding are created directly by the energy industry. If we think about it in real terms, that means roughly one job in five. In addition to that, of course, capital is generated for the community and for the constituency. There are dramatic spin-off effects in my riding.

Bill C-48 applies to what we call Canada lands, which I have always known as the Northwest Territories and the Arctic. My interest goes back a long time, mainly because the town in which I grew up, the town of Grimshaw, was called Mile Zero of the Mackenzie Highway. For years the Mackenzie Highway was the only route into the Northwest Territories, and as a result of that, any goods, food, equipment, produce or anything which had to go up into the northern communities, had to go up through my community. I grew up with a sense of the north, a sense of its importance, a sense of its potential, and a sense of the opportunities which are in that area.

I feel that Bill C-48 is a very important bill. As I have said in other talks I have given on this bill, I think it is literally the beginning of the future of the north. It is literally the foundation of what will happen in that part of the country. One thing I feel is absolutely essential is that we recognize that anything this bill does must deal with long-term opportunities for the north.

This week I have had an opportunity to reflect on just what "long term" means. My wife's grandmother is visiting us in Ottawa this week, and she is a little over 90. I will not give her exact age because I might get into deep trouble, but there are some real implications when we think about what she has seen in those approximately 90 years. She has seen the development of the car from nothing more than a bit of steam and wood and nothing very sophisticated to what we have today. She has seen the total development of the airplane industry, to the point where we now have jumbo jets flying around the world. She has seen many things happen in those 90 years. She has seen us advance from having no airplanes to seeing a man walk on the moon. For that reason, this bill is really important because we are talking about the future of the lands up in that part of the country. We are talking about beginnings, and this bill is a foundation or a jumping off point for development in that part of the country. The question right away is, what will happen in the next 90 years in that part of the country? I feel very strongly that Bill C-48 is an important bill. It has to be dealt with very carefully. It should be given very careful consideration.

Tonight I would like to focus on the motion which deals primarily with what we call ministerial discretion. I am very concerned about ministerial discretion because I think there are some dangers and some possible abuses of power involved. I believe one of the dangers is centralization of power. I think it can be very serious if we concentrate power into just a few hands or in just a few people.

• (2120)

The second danger in ministerial discretion as it affects this bill is the fact that it involves government from afar. Westerners are familiar with that kind of experience, familiar with some of the frustrations that can bring about. The ministerial discretion in Bill C-48 may result in effectively developing an atmosphere whereby a government from afar can exist. We have the territories which are many miles away from this House of Commons. If decisions are made here by one minister or a small group, a very strong case can be made for the development of government from afar.

The other danger is that you end up with decisions made behind closed doors. Those decisions automatically become suspect because they cannot be questioned. No one knows what has gone into them. When they are made behind closed doors, there is always a question, always a concern.

The fourth point ties in all of my previous points. Ministerial control is concentrated in a small area. If we look at the ministerial discretion in this bill, we find that the minister has tremendous power. I want to illustrate that by dealing briefly with one part of the ministerial discretion.

Under this bill, the minister has the power to tell the producer, the oil company that happens to be involved, whether to produce or not, how much to produce, where to ship what is produced, when to ship and who to ship it to. It even goes so far as to say at what price the product will be shipped. That is quite frightening. That literally covers the whole aspect of the development of oil and gas in our Canada lands in the north.

This was discussed with the minister in committee. I and other members questioned him on it. We asked the reasons for it and the importance of it. His response basically was, "Trust me." Why should we trust him? Aside from the personalities involved, and I do not want to get into that, we must recognize that we may well be talking about 90 years, a long time. This is just the beginning. We must recognize that this is the foundation or footing for the long-term prospect.

Even though this minister may not abuse the power, he will not always be the minister of this department, not always the minister responsible for this legislation which will have such a dramatic effect on the north.

An hon. Member: Thank heavens for that.

Mr. Cooper: My colleague says, "Thank heavens for that". We as Members of Parliament with responsibility for this bill must make decisions that protect us for the future. Legislation must look to the long term, and we must recognize possible abuses and dangers in the long-term development.

No one would argue whether discretion is necessary. I do not argue that. What I argue is the level, scope and possibilities of discretion, especially when that discretion has very few boundaries, checks and balances. There is a fine line between

good legislation and bad legislation, and a fine line between discretion and an abuse of power.

I want to deal briefly with those clauses of the bill that involve ministerial discretion. Under Clause 10(2), the minister determines the exploration agreement which includes the dates and terms. Under Clause 12(1), the minister may enter into an exploration agreement without a call for public tenders, if he determines that is not in the public interest. Regardless of whether this minister is the minister for all time, which he will not be, at some point in the future that clause has to be subject or open to some kind of abuse. There must be some form of protection to assure us that no minister or government will abuse those very fundamental privileges.

Under Clause 14(1), the minister may select any proposal put before him. There is a lot of power there. Under Clause 15, if there are no other proposals put in front of him, he may enter into a proposal with any party he chooses. We do not know whether the conditions of the first proposal are the same as for the second. Things could change. That too is open to abuse.

Clause 35 really intrigued me. It allows the minister to change the operator, to go in and, on his own, to literally change the operator of a particular drilling program going on in a part of the country. This opens up a whole series of questions and concerns, or at least it should. That is pretty fundamental.

Let us take Dome Petroleum Canada as an example. It could be developing an oil well in the north, have taken it from the exploration stage through financing by initial investors, through the initial development, until the well is drilled and ready to operate so that it can bring the oil out of the ground. The minister can walk in under the authority of Clause 35 and change the operator. In other words, he can say to the operator, "You have done a wonderful job, a super job, and now it is time to let somebody else take over". That can cause all sorts of problems and have all sorts of implications. It is subject to abuse.

I referred earlier to Clause 48(1) (a) as having far-reaching implications. It talks about the minister ordering the commencement or continuation of drilling, where to deliver the product, when, what quantity and at what price. As I said, it covers the whole gambit in the development of oil. All of those powers are concentrated in one man and are in the hands of a few of his officials and colleagues.

Subclause (b) gives him the right to cease production. That kind of power or authority centralized in one area becomes extremely worrisome. We can see the potential for abuse. The opportunity for misuse is wide open.

Clause 48 is subject to appeal under Clause 56. Let us look briefly at Clause 56. Motion No. 7, which we are addressing tonight, calls for Clause 10 to be subject to appeal under Clause 56. The minute we think of a hearing, we think of some sort of arbitrator, judge or jury, or someone to whom we can present our case. You become the complainant and they the defendants. When one thinks of an appeal process, one thinks of a neutral board one can address, lay his claim before, make his case and hope for an unbiased, neutral and fair hearing.

• (2130)

Let us look at Clause 56. Who holds the hearing? The Minister of Energy, Mines and Resources (Mr. Lalonde) holds the hearing. Who is the judge? Again, it is the Minister of Energy, Mines and Resources. Who is the jury? It is the minister. Here you have a complaint on this side against the minister, Mr. Speaker. You appeal it. Who do you appeal it to? Not over here but to the same minister. I believe this is something we should be concerned about.

This bill is important. We are talking about the development of the north. We are talking about the future of the north. We are talking about the opportunities for northern people, northern Indians, northern Eskimos. We are talking about their opportunities for jobs. We are talking about their potential for education. We are literally talking, Mr. Speaker, about their future. Any bill that does not properly address that, that does not fairly look at their needs, that does not fairly look at the potential they have, and that does not, in some manner, in a very definite, careful and fair way present them with an opportunity, is not doing its job. I do not believe, Mr. Speaker, there is room for abuse.

If we were to look at the goals of Bill C-48, as my colleague, the hon. member for Halifax West (Mr. Crosby), said, we should be looking at energy self-sufficiency for our country. That has to be our concern. We should be making sure the bill addresses development. We have to see that development focuses on Canadian companies and uses Canadian employees and Canadian people. Any bill we bring forward has to benefit Canadians. I do not mean just the Canadians living in Toronto, and I do not mean Canadians living within 50 miles of the American border; I mean the Canadians that live in that area, and I mean the Canadians that live throughout the rest of Canada. We have to address that.

Motion No. 8 addresses those issues. It addresses oil self-sufficiency for our country. Motion No. 9 talks about Canadian content and the importance it has for our country, the importance it has for our potential, and the importance it has for our future. Motion No. 15 first deals with the environmental concerns we have to face in an area such as we have in this country, an area that is ecologically very sensitive. Second, it deals with the Canadian content of manpower obligations and manpower opportunities.

I was in Inuvik a couple of weeks ago. One of the things the mayor of the town, who appeared before us in committee, talked about is the opportunities available to people in this country to develop their job skills, to employ them in working in their home areas, to earn a livelihood, and to contribute to our country and to our economy.

My time has just about run out, Mr. Speaker. In conclusion, let me pose a couple of questions. First, why do we not have any public boards to which appeals could be made? Why do we not have an opportunity for public appeal? Why do we have one appeal opportunity only, and that is to the minister

who is the target of your complaint in the first place? Why does this bill not address the importance of diffusing power? I do not mean diffusing it from Ottawa to Hull; I am talking about diffusing it from the federal government to the territorial government, which will want to have provincial status one day. Why does this bill not protect the people from all kinds of abuses of ministerial discretion, a possibility which we can see when we study the bill for nothing more than a few minutes? This is an important bill. It provides an important opportunity. It gives Canadians an important chance. We have to do it right the first time.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 7 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to an agreement reached, the motion stands deferred.

The question is now on Motion No. 8 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: According to the agreement reached, the motion stands deferred. The question is on Motion No. 13 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: The motion stands deferred. The question is now on Motion No. 15 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion defeated.

Motion No. 15 (Mr. Wilson) negatived.

The question is on Motion No. 41 in the name of the hon. member for Comox-Powell River (Mr. Skelly). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: According to the agreement previously reached, the motion stands deferred.

Mr. Bill Kempling (for Mr. Wilson) moved:

Motion No. 14

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 16

(*a*) by striking out line 19 at page 9 and substituting the following therefor:

"ment shall not exceed ten years from the or, where"

(*b*) by striking out line 23 at page 9 and substituting the following therefor:

"successive terms not exceeding ten years".

Mr. Andre: Mr. Speaker, on a point of order. I was looking at the list of motions and their grouping. I wonder why we have not had a division on Motion No. 16 as well as on Motions Nos. 9, 10, 11 and 12.

Mr. Deputy Speaker: In reply to the hon. member, in terms of the grouping, my understanding is as follows: an affirmative vote on Motion No. 8 would dispense with Motions Nos. 9 and 10. A negative vote on Motion No. 8—and this vote cannot be determined until after the period of deferment has been reached—would mean the question on Motion No. 9 would be put. A negative vote on Motion No. 9, would mean that the question on Motion No. 10 would have to be put. An affirmative vote on Motion No. 9 would dispense with Motion No. 10. But an affirmative vote on Motion No. 9 would avoid the question being put on Motions Nos. 10, 11 and 16. A negative vote on Motion No. 9 requires the question being put on Motion No. 10. A vote on Motion No. 10 also disposes of Motions Nos. 11, 12 and 16, seriatim. Whether or not a vote would have to be taken on Motion No. 16 depends upon the series of votes.

Mr. Andre: A point of order. It was our intention, at least, that on Motion No. 8 a decision would be rendered by yeas and nays. Perhaps some members straightening the seams in

their trousers gave the Chair the wrong impression of our intention.

Mr. Deputy Speaker: I heard the voice vote and I declared the motion lost. There are five members on the opposition who rose. The division stands deferred according to the procedure adopted by Parliament.

• (2140)

Mr. Deans: Mr. Speaker, perhaps it is naïveté or inexperience on my part, but the problem I have is that the vote itself has not yet been taken since it was deferred. I am concerned that simply by losing the voice vote it is automatically assumed by the Chair that the recorded vote—

Mr. Deputy Speaker: The hon. member is in error. There are no automatic assumptions by the Chair. When the actual vote is taken, a decision will be made at that point whether or not subsequent motions have to be voted. Until such vote is taken a decision cannot be made.

Mr. Deans: If I may ask for Mr. Speaker's guidance on a point of order, I am concerned that at the time the vote is taken, which will be some days from now, the votes that will be put to the House will be only those votes which are recorded—

Mr. Nielsen: As deferred.

Mr. Deans: Yes, the only votes which will be put to the House will be the votes that are recorded as deferred at that point.

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member is mistaken. At that point the Chair will proceed as indicated in the statement by the Chair. If, for example, Motion No. 8 is decided in the affirmative, some others are not necessary. If it is decided in the negative, at that point the Chair will proceed to put the other votes.

Mr. Deans: Thank you, Mr. Speaker.

Mr. Deputy Speaker: Is the House ready to deal with Motion No. 14?

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I should like to direct a few remarks to Motion No. 14 before we dispose of it. Motion No. 14 deals with the exploration agreement and, in particular, with the time or the duration of any agreement written between the minister and whatever company or association of companies the agreement includes.

The original Bill C-48 came before the House and then went to committee. It contained the language that the term of the agreement was not to exceed five years. In presentations before the committee by representatives of the industry and others who appeared, very strong representations were made that five years, given the nature of the lands in question, was in fact inadequate. Five-year exploration agreements and leases are typical in areas such as provincial lands, onshore lands or easily accessible lands, and it is a reasonable period of time. But five years in areas under the jurisdiction of the Canada lands, in the Arctic, offshore, in iceberg alley off Labrador and so on, are simply inadequate. For example, the drilling season in the Beaufort Sea in an excellent year, if everything goes well, may be four months. For a third of the year one can drill in the Arctic if everything goes well. If five years is appropriate for Alberta where we do not have these considerations, where we can essentially build year round, then perhaps 15 years is more appropriate for the Beauport Sea.

Certainly Dome Canada has explored in that area for more than five years. Everyone hopes its discoveries are commercial, but this is not known yet. It is still very much in the exploration phase, even though Dome has been up there for far more than five years. It was suggested by some of the witnesses who appeared before the committee that the language of that clause should read a minimum of five years rather than a maximum of five years in order to give some certainty. The Bar Association indicated that five-year terms for exploration agreements may well be too short, thereby resulting in uncertainty on the part of the industry and consequently greater difficulty in concluding agreements. Certainly banking institutions, the people who put up the money and the investors, will want a little more certainty and a little more time before they proceed.

Motion No. 14 would merely suggest that the language of Clause No. 16 be altered so that the terms of an exploration agreement did not exceed ten years. It would allow that extra bit of time. It could be cut back if circumstances warrant. For example, if one authorized an exploration agreement off the coast of British Columbia where year round drilling is possible, five years may be appropriate. On the other hand, if one is looking at an exploration agreement in Lancaster Sound, which is an area geologists consider to be highly potential, five years is hopelessly inadequate for an exploration program in that area. In the interests of, in fact, putting in place legislation which will lead to the development of this area, the government would be well advised to take this extension.

I realize that subsequent to the original act, there was an amendment by the government to add the language, "Where the minister considers it necessary, eight years may be the extension." This was a concession to the original error in judgment. This language is very awkward—"The term of the agreement shall not exceed five years or, where the minister considers it necessary, eight years." The amendment before the House would clean it up. It would be a lot more reasonable, given the nature of the lands in question and the fact that we are dealing with the high Arctic, offshore areas such as iceberg alley off Labrador, and so on. An extension to ten years would be highly reasonable. Therefore, I commend it to the government. I suggest the government would be improving its own legislation considerably by accepting the motion.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I should like to participate just briefly on this motion. We on this side of the House are opposed to this amendment. The House must understand that there is relentless pressure by the

industry, even by segments of the government of the United States on behalf of the oil industry, to get this bill amended, watered down and changed so that the industry can continue its beneficial regime of past years.

Perhaps, Mr. Speaker, you could take a look at an article which was written in 1973 by Professor Andrew Thompson, entitled, "Canada's Petroleum Leasing Policy—A Cornucopia For Whom?". The criticisms in that article were really the beginnings of this bill. It referred to a regime which was pretty easy on the oil companies. We virtually gave away our leases in the north, with no time limit, with no concern for whether they should be developed once they were given, with no concern for what was happening up there in the area of industrial spin-offs.

An hon. Member: The Canadians would not take it.

Mr. Waddell: I am not referring to the Canadians who would not take it. We gave it to people who could afford to do it. At that time it was foreign capital. It is true that a lot of Canadians would not do it. Perhaps they did not see the benefits, but they do now. I do not think we should make a similar mistake. There was relentless pressure to water down the bill, and the government has watered it down. Instead of strengthening the bill, the government has watered it down. I know that the hon. member for Calgary Centre (Mr. Andre) wants to put forward the interests of his friends in the oil industry, and that is fine. On this side of the House we are prepared to listen to those claims if they are reasonable. In the past they have not been.

• (2150)

A few minutes ago I heard the hon. member for Halifax West (Mr. Crosby) speak about the tar sands. But he did not know anything about the tar sands. He talked about private enterprise in the tar sands. The government has offered the people who are developing the tar sands world price for their oil, but they have said that they want more. They always want more, more. That was even too much for the Premier of Alberta. Apparently it was not too much for the Conservative party, but it was too much for the Premier of Alberta who finally threw up his hands and said it was too much.

The government has backed off this bill very substantially. It backed off by changing the Petro-Canada "back in" somewhat. It backed off from the original draft by changing the Canadian content requirement because it was too tough in the original draft. It backed off the royalty holidays to the industry. In a few days we will get to all these items where the government has backed off. It backed off slightly in this section by changing the term to eight years. I suggest that the government ought not to back off any further, Mr. Speaker. That term should be kept at five years. I know what my friend, the hon. parliamentary secretary, will say. His speech will be to the effect that this is the difference between the Liberals and the NDP—the Liberals are for eight years, the NDP is for five years, and the Tories are for ten years. He thinks he has the radical middle now, but I would call it the muddled middle. That will be the tenor of his speech, so he does not have to make it.

I say that we should not back off any further on any of these clauses. We have already backed off far enough and we should keep this clause as it is.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mr. Waddell) suggested that since his party takes the position that the duration should be five years and the Conservative party spokesman proposed ten years, and since the Liberal party suggests eight years, that I would be satisfied with the legislation as it stands. He is right. The normal term under an exploration agreement in Bill C-48 is five years, with the provision that the minister may grant an extension to eight years if he considers that exceptional circumstances warrant it. In our view, the ten-year term proposed is too long to permit a holder of an agreement to have the right to explore on Canada lands without the scrutiny that would be involved in renegotiations. We recognize, however, that there will be occasions when the particular circumstances require an extension. It is for that purpose that we have provided for the possibility of an additional three years, for a total of eight years. We believe that this is sufficient time to permit exploration to go forward. We certainly want to avoid the situation which has occurred in the past where companies with exploration rights have not taken the initiative in developing those rights for the benefit of the Canadian people.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion lost.

Motion No. 14 (Mr. Wilson) negatived.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 17

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 19 by striking out lines 8 to 10 at page 11 and substituting the following therefor:

"rated in Canada and be Canadian-controlled and have Canadian ownership rate of not less than fifty (50) per cent in 1981, fifty-five (55) per cent in 1982, sixty (60) per cent in 1983, sixty-five (65) per cent in 1984, seventy (70) per cent in 1985, and a minimum Canadian ownership rate of seventy-five (75) per cent in 1986 and so on; or".

He said: Mr. Speaker, I have a captive audience opposite, but I have only a few minutes in which to start this speech on the Canadianization part of the bill.

Generally speaking, this government has been a disaster in the last couple of years. The only bright spot that the public thought it could see was Canadianization. In my speech tomorrow and the speeches of some of my colleagues, we shall show what Canadianization is. It is a bit of a sham because the public thinks it is public ownership. It is not, Mr. Speaker; it is changing the big boys—the Rockefellers and the big American boys—to big Canadian boys, the Domes, the Novas and so on. In the course of my speech, I will show how Canadians will suffer once again as a result of this. They will put up the money for exploration and development, and it will go into a few private pockets. Instead of American pockets, it will go into the Canadian industry's pockets but not into the pockets of the people.

Mr. Evans: Not true.

Mr. Waddell: I would ask the hon. member opposite to read the bill and then come here tomorrow and listen to my speech on Canadianization.

The Canadianization requirements are simply empty promises, Mr. Speaker. Under this bill, the control of our oil industry, which is still 75 per cent foreign controlled—

Mr. Gray: Sixty-seven per cent.

Mr. Waddell: We will talk about that tomorrow and I will give the figures then. In 1974, the government promised that it would take the country to 50 per cent Canadian control and ownership. It promised that again in 1979 and in 1980, and we will likely hear it again in 1981.

In my speech I will make the point that the taxation and carried interest provisions of the bill do not reflect the schemes found elsewhere in the world today. In Norway, the state-owned company receives 50 per cent to 80 per cent carried interest versus the proposed 25 per cent carried interest proposed for Petro-Canada. Great Britain and Norway both impose taxes double or triple those contained in Bill C-48.

In my speech I will show that once again we are the suckers when compared to the regime in Norway, Great Britain, even Australia and Mexico. I will deal with each of those regimes and show how ours compares.

I shall also show in some detail what will happen as the result of this bill. I shall suggest that in the stock market we will see a lot of small Canadian companies that will be shells for foreign multinational oil companies. The bill provides for grants of 93 cents on every dollar. Just think of it, Mr. Speaker, you get 93 cents from the taxpayer to drill in the north, in the Canada lands, the west coast, east shore and offshore.

Talk about wealth; my friends to the right talk about capitalism. There is no capitalism here; it is simply government largesse. The government will pay 93 cents out of every dollar required to drill, but will we get public ownership for that? No, just a limited public ownership through Petro-Canada. Dome and Nova and all the other corporations will be made rich, and the Canadian taxpayer will pay. I shall show all that in my speech, Mr. Speaker.

I ask hon. members opposite the name of the largest oil company in Canada. Is it Petro-Canada? No, it is Dome Petroleum. Let us admit that Canadianization is not public ownership. It will rip off—

Mr. Deputy Speaker: Order, please.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

PUBLIC SERVICE—COST OF LIVING DIFFERENTIALS APPLICABLE TO AIRPORT FIREMEN

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on July 15 I rose in the House to ask a question of the President of the Treasury Board (Mr. Johnston). I was speaking on behalf of some of my constituents, the firemen at the Vancouver International Airport. They are concerned about the strength of their position in bargaining for a wage settlement in a bargaining unit comprised of maybe 20, 30 or 40 people.

The government's position as the employer is that national unions represent national employees across Canada. The minister admitted to me in the House at that time that this does create a problem of disparity for employees. I pointed out to him that whenever you have equality on a national scale, you have a high level of unfairness for the employees. Local conditions in each area of the country vary so much that a national agreement creates benefits for one area and problems for another area. For example, wage scales of the firemen at the Vancouver International Airport compare very unfavourably with those of their fellow employees in New Brunswick. In some parts of the country, employees have a wage scale of $3,000 a year more than their counterparts either in the local city or the provincial fire departments. On the other hand, the firemen at the Vancouver International Airport are paid about $6,000 a year less than their counterparts in downtown Vancouver or those who work for the provincial government.

The employees at the Vancouver International Airport are paid the same as those in Moncton, but the cost of living in the two areas is astronomically different. I do not know how the President of the Treasury Board can work for an agreement which is supposed to be equal when it is incredibly unfair.

He admitted in his answer to me that it is unfair and that the government is trying to work out regional benefits for some

of the employees, I suppose some kind of a cost of living clause or something like that. However, it has not been forthcoming. I suggested to the minister that what we need perhaps are regional bargaining units in order to strengthen the hand of some of the employees in the regions. The minister told me that would not be the right way to go. I am not sold on the idea, but I simply tossed it out as a suggestion as something that might protect those in the most vulnerable positions.

It seems to me that whenever you have the government promoting this kind of equality it favours the strong rather than the weak. The strong are either those in a bargaining position who can easily expose the vulnerability of society by withdrawing their services—as firemen could do across the country—or those who have large voting blocks within the union. That is precisely the problem we are faced with in the national unions today, for example, a bargaining union in British Columbia consisting at most of several hundred people and a bargaining unit in central Canada comprising several thousand people. You can see what would happen in a national vote with numbers like that. It reminds you a little of the Prime Minister's (Mr. Trudeau) referendum formula and how that is supposed to work for the country.

There is no way employees who work for the federal government in British Columbia will ever end up with a package to meet their needs, because the large voting block in central Canada will consistently outvote them.

It is in the interests of the President of the Treasury Board to have a national union so that he can always pit one group against the other. Is that his scheme? It is the same scheme the federal government uses in supposedly trying to solve disparities invoked upon the people. The government settles with one tribe and antagonizes several other tribes. This is exactly what it is doing with the national unions.

• (2205)

What happens then is that those who are working in the British Columbia region are focusing on those working in central Canada and they become the enemies or the antagonists, rather than the employer. This is not a bad scheme.

I am focusing right now on the matter of the employees of the fire department of the Vancouver International Airport, but the same thing holds true for immigration officers, those working in the penitentiary services, the parole service, or any of the other bargaining units in the PSAC. Whenever you have a national union bargaining for all employees across Canada, you have inequality that creates an innate unfairness with regard to large segments of that union within the country.

As I said, it is in the government's interests to promote that kind of friction within the union so it can get the kind of package which is cheapest and looks best for the employer, but works a hardship.

I should like to know from the parliamentary secretary tonight whether there is to be something laid on the table for the employees at the Vancouver International Airport, because they will soon be in a strike position and they need a settlement. Even if they were not in a strike position, the disparity they are facing in their salaries is sufficient to make some of them lose their homes, and it is taking away the money they need for their groceries. I would like to have a commitment from the parliamentary secretary tonight that there is going to be some kind of settlement which will recognize the element of fairness that should be part of all bargaining and which will provide a settlement for those workers at the Vancouver International Airport.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I may misunderstand the nature of this debate, but I thought the Public Service Alliance insisted on a national or uniform pay scale right across the country, while it was the Treasury Board that was attempting to negotiate regional rates of pay that are in some way related to the average rates of pay of outside firefighters in the areas where those firefighters are employed.

So, I am pleased to tell the hon. member that the negotiators are prepared to consider any proposal by the union to rectify regional disparities. I think the President of the Treasury Board (Mr. Johnston) and the hon. member opposite can find common agreement with that understanding.

As for the establishment of several bargaining units for such a widespread group of firefighters, I would have to tell the hon. member that this appears unlikely, but such a matter would have to be decided by the Public Service Staff Relations Board.

RAILWAYS—REQUEST FOR INTRODUCTION OF VIA RAIL LEGISLATION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, the question I raise this evening arises from a question I posed on July 13, 1981 as it appears at page 11454 of *Hansard*. At that time I directed that question to the Minister of Transport (Mr. Pepin) asking for clarification about a rumour at that time of a potential cutback of roughly 20 per cent of VIA Rail services in Canada. The minister indicated he was not able to give a firm answer in the House at that time but that he was in full agreement on the need for a new VIA Rail act and other items that were ancillary to the improvement of VIA Rail.

Since that time, as you know, action has been taken by the minister through his announcement of July 27 when he announced the cutback of some 20 per cent of Canada's rail passenger service in a unilateral and arbitrary manner, at which time the House was not in session, and at a time when Members of Parliament and members of the public had no opportunity to consider that decision.

• (2210)

Mr. Speaker, I find the minister's action shameful and it is causing a great deal of anger, outrage and regional discord throughout the country. The decision has grave implications for hundreds of thousands of Canadians who use and rely on

the rail passenger service in this country. It has grave implications for at least 1600 workers who will be affected directly, plus countless other workers who will be faced with job losses and dislocation as a result of the indirect effects. There is no question that this decision has long-term implications for many people.

While I am happy to see the Minister of Transport (Mr. Pepin) in the House this evening and I appreciate the fact that he is here—I know he is a very busy man who has a lot on his platter—I was expecting his parliamentary secretary to be here this evening to talk about the cutbacks and how they relate to the labour component of the service. It is interesting to note that the parliamentary secretary who, although he is loyal to the minister and does support wholeheartedly the actions of the minister, represents a large area—the Winnipeg area—where some 500 people will be directly affected as a result of this cutback. He is also aware, I am sure, that the removal of the Northern Transcontinental will have a tremendous effect upon the tourist industry. I am sure he is aware there will be no direct service between Saskatoon and Winnipeg. The town of Rivers, Manitoba, will be deleted from this service; Watrous and Melville will have no service at all. It is a very serious state of affairs.

The other thing that bothers many of us is that there is a double standard in the minister's announcement. He has given the commuters a year to adjust and respond to his decision, but for those most affected by the regional and trans-continental cutbacks, the guillotine will fall on November 15.

Today, in the House, the minister admitted the costing order is out of date, inadequate and unfair. That view was shared by the Canadian Transport Commission, in a decision which was published recently with regard to a hearing that was conducted in the Province of Manitoba. The minister admitted as well that there would be changes. The costing order is at the heart and core of the financial problem with VIA Rail. Under the costing order, 63 per cent of their budget is uncontrollable because it is spent on services that are provided by CN and CP, which is basically a carte blanche, cost-plus or open-ended, however you want to describe it. Since the minister acknowledged that we should have a new VIA Rail act to outline clearly its mandate, it should be brought before the Parliament of Canada for a full parliamentary debate.

Since we have such a problem with the costing order, I cannot see why the minister is proceeding with such undue haste. Lay-off notices have been served, new schedules are being implemented. I heard today that they are scrapping some of the existing railway passenger cars in anticipation of the cutbacks on November 15. To all intents and purposes, it is a *fait accompli*.

I understand legal action will be launched tomorrow. Even while legal action is being taken, all these things are happening. The minister is forging right ahead. There is a vigorous debate going on in the House, the Senate, the Joint Committee on Regulations and Statutory Instruments, as well as throughout the country. The minister proceeds in his arrogant and arbitrary fashion. It is not inconsistent with the actions of this government, as evidenced by its pursuit of the Constitution and the energy program.

The minister should understand that clearly because I think he does understand Canada. He has had much experience travelling back and forth across this country, working on the constitutional task force.

• (2215)

Given the fact that the minister understands the regional make-up and the diversity of this country, I cannot for the life of me understand why he would refuse to conform to what has become a very historical and traditional practice in this country, and that is the practice of holding public hearings on issues which are so important and fundamental to the Canadian people. The minister refuses because he says it would take too long and that he is not excited about giving the CTC a direction. Well, the routes which are being dismantled were in fact established through very extensive public hearings, based upon the criteria of public convenience and necessity by the CTC. If the government of that day did not agree with the CTC decision or directive, it should have used Section 64 then. It should not wait two years before using it. To me that is really the fundamental part of the violation of the spirit and the intent of Section 64 as it conforms to the principle enshrined within the National Transportation Act. I think this is a very, very dangerous precedent.

Today I was handed a document, which was provided by the Railway Transport Committee, the rail economic analysis branch, dated October 21, 1981. I would be pleased to table it because, out of 18 different applications, on only two occasions were public hearings not held. The precedent is clearly established. I urge the minister with all the conviction I can muster to reconsider his plan and to give the Canadian people an opportunity. I urge him to give those who are affected an opportunity to be heard. I urge him to defer the decision and let the Canadian traditional and historical process in this country work. I think the minister will find that his job will be a lot easier, and he will derive a great deal of satisfaction—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I am surprised by the psychology displayed by my friend, the hon. member for Vegreville (Mr. Mazankowski), here tonight and the other day. I took it for granted that he was a man of great passion, dedication and rather rapid action. I thought that was him, but I can now almost believe that he has been saved for the demonstration of the opposite by the fact that he stayed in power for a relatively short period of time, because the only thing he has been talking about—or the main thing; I should not be unfair—besides the great lessons of democracy he has been giving me and others so generously is the concept of a delay. He is looking for a delay. He thought he would bring about delay by invoking action through the Canadian Transport Commission, which he knows well would have taken two, three or four years. There is no other way.

There are 21 different routes to look at when holding public hearings.

Mr. Mazankowski: Parliamentary committee.

Mr. Pepin: Then, realizing that I would not go for that and realizing that the route we have taken by order in council is quite legal under Section 64 of the National Transportation Act, he took a second kick at the can by suggesting that the matter should be sent to the parliamentary Standing Committee on Transport and delayed there until June 20 or thereabout.

Then tonight he says we should delay it until we have found a miraculous formula for the financial relationships between the railways and VIA, that is, an amendment to costing order R63-13.

Mr. Mazankowski: Just offering you a way out.

Mr. Pepin: That would take some time also. Then, on July 13 he said we should delay until we rewrite the VIA legislation. That is four occasions for delay. When do you do anything under that system?

Mr. Mazankowski: There are options for you. Take one of them.

Mr. Pepin: One cannot do anything under that system, so I came tonight really to talk about the VIA bill and to cheer up my hon. friend by saying that I take that responsibility very seriously. The last time I told him I was in favour of one. Now I have received the first approach to it from my department. I suggest that when he was holding my portfolio he too asked his officials to provide him one. I do not know. Maybe we could exchange notes at some point. At least we could exchange a verbal communication. The choice I will have at one point—and I am quite willing to talk about it with my predecessor—is a long bill or a short bill. What would be included would be a structural part and a more dynamic part. The framework of that is being developed now. I should be presenting it to cabinet in the coming months, but I am not at all reluctant to talk about it in the Standing Committee on Transport.

Mr. Mazankowski: But you won't have a railroad by then.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister, but the time alloted to him has expired.

• (2220)

REQUEST THAT GOVERNOR OF BANK OF CANADA BE INSTRUCTED TO LOWER INTEREST RATES

Mr. Dan Heap (Spadina): Mr. Speaker, on Wednesday, October 14, I asked the Minister of Finance (Mr. MacEachen) on behalf of the Spadina voters who sent me here if he would instruct the Governor of the Bank of Canada to lower the interest rate structure to a tolerable level. The minister's reply was disappointing. He merely saluted the worn-out dogma that high interest rates are anti-inflationary. Is he still asking Canadians to believe that he will cure high prices by pricing money higher than this country has ever seen before in order to cool down inflation? This was the policy of the late Conservative government, to concentrate spending power in the hands of a few, a policy that pleases those few and only those few.

This is still Conservative policy, as shown by the fact that when the leader of the nominal opposition asked questions on this last week, he was careful to avoid asking that the interest rate be brought down. He just said, let's have a review. He asked that there be subsidies to home owners rather than a new interest rate and investment policy that would bring health back to our economy.

What is disappointing and new is that the Liberal government, through the Minister of Finance, has also completely surrendered now to the philosophy of making the rich richer and the poor poorer. This present government and the one before it proved this policy to be a failure.

Inflation ran at 10 per cent in 1977. In four years, while inflation rose from 10 to 13 per cent, interest rates were going from 12 to 15 to 18 to 20 per cent and beyond. They had nothing to do with stopping inflation.

The government's new energy prices, up one third from last year, are sure to push inflation higher still. Will the minister care if interest rates rise to 25 or 30 per cent? The question is, how long can we wait for the minister's dogmatic policy to cure inflation? In fact, his cure is worse than his disease. His high interest rates are not cooling down demand as much as they are choking off production and supply and making inflation worse.

The number of officially unemployed jumped in one month, September, by 18 per cent. That is, 144,000 more Canadian men and women are not allowed to work productively. Does the minister like that cure for inflation? The Spadina voters clearly do not.

Small business bankruptcies jumped in that same month by 26 per cent. Spadina is the major small business centre for Ontario, if not for Canada. We have retail stores, specialty service shops, hundreds of textile and clothing manufacturers and distributors, the printing trades, the office furniture and supply trades, the restaurant and entertainment establishments and many more small and medium-sized businesses. Does the minister take pride in driving them into bankruptcy at a rate now increased by 26 per cent?

We have, I admit, very little farmland in Spadina, but our people do like to eat. We are told by the National Farmers Union that farmers now no longer spend 15 but 30 per cent of their income on carrying charges. No wonder grocery prices are rising faster than any other part of our cost of living. The banks take their share before we eat.

Does the minister plan to price food absolutely beyond the reach of Canadian working people? That might cure inflation in a sense, but not many of us would be around to enjoy it. There is, of course, one small group who are not suffering. The assets of the five largest banks in Canada went from $42 billion in 1970 to $260 billion in 1980, a fivefold increase.

Their profits went from $362 million in 1970 to $1,186 million in 1980, an increase of two and one quarter times. During that time, this Liberal government, whose Minister of Finance tells us about his daily conversations with the bankers, generously reduced their effective tax rate from 46 per cent to 16 per cent, less than a bank teller pays. How did the banks respond to that handout? Those corporate welfare bums increased the spread between the rate they pay to their depositors and the rate they charge their borrowers by 50 per cent.

• (2225)

The working men and women, Mr. Speaker, and small business operators of Spadina have recently shown this government that they are not the docile and stupid voters that this government thought they were when it sprung the Spadina byelection. If the minister persists in feeding his friends, the bankers, by starving the people who produce the wealth in Canada, the rest of the Canadian voters will soon send them the same message.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): The hon. member for Spadina (Mr. Heap) has suggested, as the primary thrust of his comments, that the Minister of Finance (Mr. MacEachen) give the Governor of the Bank of Canada a directive to immediately lower interest rates. I think members of the House should remember that the fundamental cause of high interest rates we now face is the rate of inflation. There are also other factors. We have talked about these in the House a number of times in the past. Those factors related to the degree of monetary restraint that is being followed by the Bank of Canada. It relates to the growth of demand for credit that we have seen in this country. It relates to the U.S. interest rate situation, which is a contributing factor. It relates to the supply shocks we have seen in the marketplace over the last three to four years, the rapid rise in international oil prices, food shortages or crop failures in certain parts of the world at different times. All of these factors have led to our inflationary situation. All of these factors, Mr. Speaker, are leading to high interest rates.

The Bank of Canada, Mr. Speaker, has one tool and one tool only at its disposal; that is the growth rate in the money supply. It can make the money supply grow faster or it can make it grow slower. The Bank of Canada cannot, by some wave of its magic wand, nor can the government, cause interest rates to be 15 per cent, or 30 per cent or 5 per cent. It relates to the supply of credit. The Bank of Canada has control over the supply of money, but that is all.

If the Bank of Canada makes the supply of money grow faster, as in the particular situation we are in now, certainly in the very short term, because there is more supply of money, interest rates would tend to come down. The effect of that, Mr. Speaker, would be that in the medium term we would have worse inflation than we have now. In fact, we would have higher interest rates and higher inflation in the medium term than we have now. Now is the time for us to attack the problem of inflation, Mr. Speaker, and get it down, once and for all, and to set the stage for stable and sound economic growth and employment, low rates of inflation and prosperity in the future.

Mr. Deputy Speaker: It being 10.30 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 23, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF POLISH REFUGEES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, Canada has always been known as a compassionate country and has helped out many times in world crises by accepting its share of refugees, as in the case of the Hungarians, Czechoslovakians, Vietnamese and others. Now 30,000 Polish refugees located in camps in Austria need help desperately. Therefore I move, seconded by the hon. member for Malpeque (Mr. Gass):

That the government heed the urgent appeal for help from the Canadian-Polish Congress, the refugees, and the foreign minister of Austria, and immediately increase its quota of Polish refugees to Canada and send aid, in the form of warm clothing and food and medical supplies to the refugees in Austria.

Madam Speaker: Is there unanimous consent of the House for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

TWENTY-FIFTH ANNIVERSARY OF RUSSIAN INVASION OF HUNGARY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I move, seconded by members of both other parties, in this case seconded by the hon. member for Parkdale-High Park (Mr. Flis) and the hon. member for Hamilton Mountain (Mr. Deans):

That in memory of the events which began in Hungary on October 23, 25 years ago today, this House express its abiding opposition to the continuing totalitarian suppression of real freedom in Hungary and in all other countries so controlled, its sincere gratitude to those thousands of Hungarians whose reason for coming to Canada was so tragic and whose contribution to Canada has been so great, and its deepest sympathy to all those who lost family and friends in the valiant fight for freedom and against totalitarianism, and whose sacrifice free people must never forget.

I remind you, Madam Speaker, that this motion has support from all sides of the House.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

HOME OWNERS AFFECTED BY MORTGAGE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, yesterday the minister responsible for housing indicated that if members of the House of Commons had hardship cases related to the renewal of mortgages, and difficulties in getting mortgage interest rates that people could afford, they should send him details. I have approximately 190 cases here which I want to send over to him. Therefore, under the terms of Standing Order 43 I move, seconded by the hon. member for Beaches (Mr. Young):

That this House direct the minister of housing to contact each of the families whose names I have provided today, and between now and Monday assure that in no case will they be forced out of their homes as a result of exorbitant mortgage interest rates.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

RELIEF SOUGHT FOR HOME OWNERS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House deplores the procrastination and the delay of the Minister of Finance in providing help for persons losing their homes because of mortgage renewals. Is the minister waiting until the crises vanish, until the homes of hundreds are lost and the women and kids are freezing in the snow, before providing relief?

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

AIR SAFETY

FINDINGS CONTAINED IN DUBIN REPORT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the Minister of Transport (Mr. Pepin) will know of the 1977 directive issued by his officials which said that no punitive action should be taken against airlines for safety violations until full consideration had been given to the possible embarrassing and political implications to the minister. The Dubin inquiry has also exposed the fact that recommendations to prosecute airlines were not carried out because of a concern about embarrassment to the minister. I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

● (1110)

That this House direct this irresponsible and incompetent Minister of Transport, who places his own political safety before the safety of thousands of air travelling Canadians, to withdraw this 1977 directive and then resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

CROP DEFICIENCY PAYMENTS TO APPLE GROWERS—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a matter of urgent necessity affecting thousands of farmers in Canada. Apple producers in British Columbia's Okanagan Valley, together with apple producers in Ontario, Quebec, New Brunswick and Nova Scotia, are experiencing a critical cash flow problem as a result of disastrously low prices for 1980 apple crops. This problem is intensified by high interest rates and by the protracted failure of the Agricultural Stabilization Board to finalize the terms of the 1980 crop deficiency payments to which these Canadian farmers should be entitled. I therefore move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House directs the Minister of Agriculture to act immediately to disburse stabilization deficiency payments respecting the 1980 apple crops to Canada's apple producers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSING

SUGGESTION THAT HOME OWNERS SHOULD TELEPHONE MINISTER'S OFFICE—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too rise under the provisions of Standing Order 43 to move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That in view of the announcement by the minister of housing, Mr. Cosgrove, to intervene personally to assist those Canadians faced with the dismal prospect of losing their homes because of high mortgage rates, and in order to give the minister a final chance to do something about the housing crisis that exists in this country, this House notes that the minister's office telephone number is (613) 996-5132 and that all Canadian families seeking assistance from high mortgage rates—

Mr. MacEachen: That is absurd.

Madam Speaker: Order.

Mr. Rose:

—should call the minister's office, collect, at (613) 996-5132.

Madam Speaker: Order.

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EXTERNAL AFFAIRS

COMMEMORATION OF HUNGARIAN RISING IN 1956—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members of this House respecting an urgent and pressing matter under the provisions of Standing Order 43. I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That today this House commemorates the rising of the people of Hungary against oppression during October, 1956, by expressing its sympathy to all of those who lost family and friends during the struggle for independence and by acknowledging the great contributions people of Hungarian origin have made to the development and cultural heritage of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

BRITISH COLUMBIA REGIONAL OFFICE—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, after many years of enduring intolerable conditions on Indian reservations in British Columbia, and out of a sense of complete frustration, a group of British Columbia Indian women this summer staged a protest sit-in at the Department of Indian Affairs and Northern Development regional office in Vancouver. These women were protesting what they firmly

believe to be the indecision, inaction and mismanagement of the department in British Columbia. So far the only result of this protest has been that 53 of the women were individually charged and now have to face the crushing costs of court appearances. Therefore I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That the Minister of Indian Affairs and Northern Development immediately furnish the Standing Committee on Indian Affairs and Northern Development with a reference to investigate all charges of mismanagement and inefficiency relating to the operation of the British Columbia regional office and direct the committee to report its findings to this House.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

IMPACT OF HIGH INTEREST RATES ON FARMING COMMUNITIES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, hundreds upon hundreds of people from the Hamilton-Wentworth area recently signed letters pleading with the Government of Canada to do something about the high interest rates which are devastating our farming communities. These are 1,100 letters collected by the Wentworth Federation of Agriculture which I am now sending to the Deputy Prime Minister and Minister of Finance (Mr. MacEachen)—young lady, he is sitting right over there—and there are another 500 of these letters on the way to my office. Therefore I move, seconded by the hon. member for Burlington (Mr. Kempling):

• (1115)

That the Minister of Finance pay attention to these 1,600 voices from my area as they add their pleas to those of many other Canadians concerned about the crisis in the agricultural sector due to this government's high interest rate policies.

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

Madam Speaker: The minister might raise a point of order after question period. We have to finish the motions under Standing Order 43 just now.

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UNITED NATIONS

TRIBUTE TO PEACEKEEPING OPERATIONS—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise under the provisions of Standing Order 43. Tomorrow is United Nations day. At the same time Canada has just honoured General Burns, the commander of the First United Nations Emergency Peacekeeping Force, with the Pearson Peace Medal. In honour of United Nations Day, in honour of 25 years of United Nations peacekeeping, in honour of General Burns, the Canadians who have given their lives to United Nations peacekeeping and the many Canadian Armed Forces men and women who have served United Nations peacekeeping, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House express its best wishes to General Burns and record its recognition of the fine service by Canadians in United Nations peacekeeping forces, and that this House affirm its faith in and support for the United Nations and its endeavours.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

MINISTER'S UNDERTAKING TO HELP HOME OWNERS

Hon. Bill Jarvis (Perth): Madam Speaker, my question, I am sure not unexpectedly, is directed to the Minister of Public Works. Given the situation where the government's minimum figures show that approximately 800 Canadian families per week are losing their homes to high interest rates, the minister indicated yesterday, and I want to quote him accurately, that he would attempt to respond to those cases where there is genuine concern that homes would be in jeopardy. Does this undertaking include, in addition to those 800 families who will lose their homes this week, next week and the week after, families who are already in jeopardy, that is, families whose homes are subject to foreclosure or power of sale action? Second, what is the exact mechanism established by the minister? Is there a special Zenith telephone number, is it open during the weekend and during hours that would accommodate Canadians in all time zones?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I wish the hon. member would quote exactly from *Hansard*. I will read my answer of yesterday:

I will attempt to respond to those cases which are brought to my attention, those cases where there is genuine concern that homes would be in jeopardy before the other financial institutions respond to the Royal Bank initiative or the budget. I would be happy to receive any case from any individual Member of Parliament who is genuinely concerned there is a hazard that the home will be lost.

Those were the words that I used yesterday. I draw to the attention of the hon. member the newspaper clippings that were dropped on my desk. They do not by themselves indicate the text that I just quoted. First, I indicated that I expect

Members of Parliament on all sides of the House to have made some attempt individually and shown some effort to assist people by contacting the mortgage holder. In referring items to me, I would appreciate it if Members of Parliament could assist by identifying the mortgage holder, the date, and the person whom they contacted in an attempt to assist, before referring the matter to me.

I will therefore have to return these newspaper clippings that were given by the hon. member for Hamilton Mountain. They do not illustrate the question of genuine hardship. Indeed, on a number of the newspaper clippings where the question is asked, "Will the new monthly payments force your family to move or rethink your budget," there is no answer to that question. Therefore I have no indication that the questions are genuine.

CASE OF INDIVIDUAL AHOP HOME OWNER

Hon. Bill Jarvis (Perth): Madam Speaker, the minister will already have received the petitions tabled by the Leader of the Opposition last week. I would not expect that the minister's answer yesterday would lead Canadian home owners to believe that the only access they have to the minister is necessarily through a Member of Parliament. I hope the minister was not implying that.

● (1120)

If he wants a specific example, may I ask the minister to explain why, this morning, his office, and the official designated presumably by his receptionist, did not return five telephone calls from Carol Rogmans, head of a single parent family, and an AHOP purchaser, whose CMHC payments eight days from now will increase from $294 a month to $652 a month? After leaving five unanswered messages, she telephoned the office of the Leader of the Opposition where, I assure him, there is a genuine concern for people like Mrs. Rogmans. Is there, in fact, a mechanism for people like this Canadian? Or was yesterday's answer simply a grandstand play to save the minister's political skin?

Hon. Paul J. Cosgrove (Minister of Public Works): I answered that question in my first answer. I indicated I wanted the Members of Parliament to illustrate a genuine concern and to give me the background, the particulars of the case, the mortgage holder, the attempts, the demonstration that the member says he has just shown me in helping people. Members of Parliament have a responsibility to Canadians, as I do. I expect you to help Canadians, as I am attempting to help Canadians.

Some hon. Members: Hear, hear!

REQUEST FOR ESTABLISHMENT OF SPECIAL PARLIAMENTARY COMMITTEE

Hon. Bill Jarvis (Perth): What can a member do if a minister will not reply, with all his staff and officials, to five phone calls from someone in a desperate situation like this? I do not want the minister to think I am angry; I am outraged. But that is not going to help people like this; my outrage is not going to help these 800 Canadian families. I should like to ask the minister most seriously, will he consent to a House order later this day, establishing a special committee of the House of Commons, adequately staffed, with full facilities, to commence work this week to respond to the plight of Canadians like Carol Rogmans? Will he consent to that later today?

Hon. Paul J. Cosgrove (Minister of Public Works): Since the middle of August, Madam Speaker, I have indicated I have been attempting to respond to individual cases. I have met with large groups of people submitting petitions on their own behalf and on behalf of other Canadians. I have met with representatives of the industry. I have given advice to the government. More than that, yesterday I offered that if Members of Parliament, in using all of their personal resources, the resources that the Government of Canada and this Parliament gives to them, after using all of the resources of individual members, are unable to get any help from the mortgage holders, who are the people who have the major financial responsibility, my office will attempt to respond to individual Members of Parliament. I expect something more than just a phone call, and something more than just the press clippings that are produced to me, like this one, without any details whatsoever. That is not a genuine attempt.

RENT INCREASES FACING TENANTS

Miss Pat Carney (Vancouver Centre): My question is also addressed to the minister responsible for housing. The consumer price index shows that tenants are facing the largest rent increases in ten years, and that the worst is yet to come. With vacancy rates at zero in some centres, Canada Mortgage and Housing Corporation warns that the average Canadian tenant looking for accommodation in new buildings may face rent increases of 100 per cent over current levels in the next 18 months. In view of the minister's offer to aid personally home owners faced with mortgage renewals, what system does the minister propose to aid tenants hit by sky high rent increases? Will the same opportunities for ministerial assistance to cases brought forward by MPs be extended to tenants as well as property owners?

Hon. Paul J. Cosgrove (Minister of Public Works): In answer to a number of members I indicated my concern about tenants. In addition to reviewing the problem of rollover situations, I have given advice to the government about the difficulty facing the rental sector, as well as home owners. That advice has been given to the government. When the government presents its total financial plan, its budget to this House of Commons, you will have the opportunity to see what is the government's response.

In addition to that, this government, unlike the previous government, moved to do something about the tight rental situation by giving, for example, tax credits to encourage the construction of new rental accommodation, to take the pressure off the market so as to alleviate the price in the rental

market. In addition to this, last year we increased the amount of social housing by 5,000 units, and this year by an additional 2,500 units, unlike the report offered by the previous government of the Right Hon. Joe Clark, that said they should get out of social housing totally.

● (1125)

FORECAST OF DROP IN HOUSING STARTS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the minister responsible for housing. The minister's top housing bureaucrat, the president of CMHC, said that Canada's growing shortage of rental accommodation will become an even greater crisis than that now faced by property owners facing mortgage renewals. Yet, using the forecast of CMHC, next year the level of housing starts will be 135,000, only 60 per cent of the number required to meet the demand for housing. The minister repeatedly claimed that this year starts will be 170,000. Why is he bragging about underproducing homes by 50,000 starts?

Hon. Paul J. Cosgrove (Minister of Public Works): On the contrary, Madam Speaker. As I indicated yesterday, one of the first things the government did upon assuming office in recognition of the difficulties ahead was to reintroduce the capital cost allowance to increase the amount of starts in the multiple area. This is why, since the government has taken office, the amount of multiple starts on a quarterly basis has increased in Canada. It is also why during the last month, recognizing even an increased hazard, I have given advice to the government which I hope will be reflected and apparent through the financial plans presented to the House in the budget.

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AIR SAFETY

DUBIN REPORT—REQUEST THAT OFFICIALS BE RELEASED FROM THEIR DUTIES

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Transport, regarding the Dubin report on air safety. In view of the indictment in yesterday's report that senior transport officials "resist vigorous enforcement action even in the most blatant cases" and have "demoralized the enforcement specialists", and that Justice Dubin specifically asked the minister to intervene directly because there is no confidence whatsoever that existing management will correct the situation, will the minister relieve Mr. Owen, Mr. Arpin and Mr. McLeish of their duties until the minister can show to the Standing Committee on Transport that there is a working or functioning mandate to protect public safety in the air?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I said yesterday the essence of what I believe on that report. It is an excellent one; Volume 2 is an excellent one. I accept the substance of the report, and after discussions with my officials we accept most of the specifics of the report. That is clear.

Another thing I said yesterday was that we would bring up in two or three months' time a progress report on each of the recommendations, or blocks of recommendations, of Justice Dubin. Again it will come out very clearly as to what is to be done. However, there has been a philosophical debate on the spirit of enforcement.

My department in the past has been more lenient, tending toward education, convincing and proselytizing, or whatever one wants to call it. Justice Dubin recommends a much firmer implementation of rules. This is accepted by my department now, and clearly it will be done. But this is not black and white. There are nuances. I suggest my hon. friend read recommendation No. 69 wherein Justice Dubin said:

> The enforcement policy should recognize the respective roles of detection, conciliation and imposition—

It is a question of balance. After having gone slightly too much to that side, we must not go too far to the other side either. That again will be done.

CONDEMNATION OF ADMINISTRATOR

Mr. Jim Fulton (Skeena): Madam Speaker, Justice Dubin said that transport quality at headquarters resists enforcement action which has led to unsafe practices. The minister talked about philosophy and nuances. Justice Dubin pointed out such things as aircraft flying in Canada, haywired up with outboard motor gas tanks, and a commercial airline trying to take away a passenger's seatbelt to keep a door shut which was flapping back and forth.

● (1130)

In view of the statement that Mr. McLeish made, to the effect that as long as he is air administrator of Transport Canada he will not change the approach to enforcement, will the minister relieve at least that one official of his duties until he can demonstrate that he is willing to change his attitude, particularly in light of the documentation by Mr. Justice Dubin in his two reports that the administrator has, with full knowledge, allowed unsafe situations to continue to exist?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend reminds me of the gentleman who was travelling on a ship and, upon being told that there was trouble with the engines, decided to go to the captain's cabin and shoot the captain as a safety measure.

Some hon. Members: Oh, oh!

Mr. Pepin: I do not intend to do that. My department recognizes that mistakes have been made in the past, and it is willing and eager—and the minister will make very sure that this is done—to rebalance the methods of enforcement. This will be done, and very vigorously indeed.

Oral Questions

SCREENING OF LEGAL ACTIONS AGAINST AIR CANADA

Mr. Jim Fulton (Skeena): Madam Speaker, I do not know what relevance the shooting of the captain of the ship has to what Mr. Justice Dubin has said. I think it may be more relevant in a parallel situation.

Mr. Justice Dubin's findings that Transport Canada management make safety inspections, and I quote, "ineffective", and has rendered safety analysis, and again I quote, "useless", hardly inspire confidence in the travelling public, particularly myself, as I have to travel from here to northern British Columbia.

On February 20 this year, while the minister was in charge of DOT, his director general of civil aeronautics prevented court action against Air Canada, a Crown corporation, because "this particular case risks serious embarrassment to the minister". That is quoting the director general. Does the minister agree that he should be protected from embarrassment when public safety is involved, or will he make a recommendation to scrap at least the DOT-Air Canada committee's power to screen possible legal actions against Air Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously I do not intend to enter into the details of all the case studies that the judge brought up. My hon. friend is an intelligent man and he knows that in all these matters there are different versions of what really happened. I do not intend to rehash the past. I do not think that it is in the national interest or in the interest of aviation to do that.

The important thing is that, on the basis of the premises, which I am not debating, Mr. Justice Dubin came out with a set of 75 new recommendations added to those in the previous report—on which, by the way, I have already acted in line with what Mr. Justice Dubin recommended. I do not intend to rehash that. I take the recommendations in the report, and that is what is important. These recommendations will be implemented.

* * *

HOUSING

SITUATION OF AHOP HOME OWNERS FACING MORTGAGE RENEWALS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Public Works who is responsible for CMHC. There are some 6,179 AHOP mortgage renewals coming up in the region of Peel alone. The minister has promised to intervene personally in cases of severe hardship. Can he tell us what his plans are to deal with the AHOP owners who face increases from 8 per cent to 20 per cent on first mortgages, and to 19.75 per cent from nothing on second mortgages. All 6,179 will become due before April of 1982. Can the minister assure us that he will be able to handle all these cases when I refer them to him?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the implication of the hon. member's question is related to the undertaking I made in the House yesterday. I would point out, first of all, that I was talking about the interim period, until such time as the government's budget is presented to the House.

I would also indicate to him that last year, one month after assuming responsibility for Canada Mortgage and Housing Corporation, the first thing I did was to address the situation of those in AHOP who needed additional help. As a result of that, for the last two years we have given increased subsidies to those people under those programs. I recognize the difficulties they are facing. In light of the representation made by those people months ago, and knowing the difficulties they face, I can assure the hon. member that they are people who have been considered, and that forms part of my advice to the government.

ABANDONMENT OF AHOP HOUSES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, as usual the minister's answer does not solve the problem. I should like to ask him why he has not acted on the AHOP situation when the problems were brought to him well over a year and a half ago? I would advise him not to fall back in his answer on the handout offer of $60 per month which he made to the AHOP people. That is a smokescreen, considering that 40 per cent of the units built in Peel, some 2,737, have already been abandoned as of July 31, 1981.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be repeating myself if I said that, one month after the difficulty of the AHOP owners was brought to my attention, the government moved to continue the original program which was designed to encourage and assist people of a particular income level to get into home ownership. We did that. I admit that the escalation of interest rates above 20 per cent within the last two months presents a much different picture. As the result of that I have looked at the situation, and have given advice to the government.

I would say to the hon. member that there is another problem with the AHOP program in some areas, and that is the de-escalation of property values. Sometimes this causes people to look at their situation and conclude that, if property values are not going to increase, irrespective of interest rates, they do not want to continue to try to build equity in a property. That is another reason why some people left those programs.

REGISTERED HOME OWNERSHIP PROGRAM

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is directed to the Minister of Public Works who is responsible for housing. Hundreds of young Canadians are today building a fund for their first home through the Registered Home Ownership Program, which has a maximum limit of $10,000, with a maximum contribution of $1,000 per year.

The minister knows that $10,000 would not be enough for a down payment on a home today. Has he made any representations to the Minister of Finance to increase the maximum ceiling in this plan?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the point made by the hon. member is one that has been brought to my attention by a number of people in the last couple of months. It is one of many, many representations that have been made to me and to the government.

On the point that the program would not help people at all and would not even provide a downpayment, I would draw the attention of the hon. member that there are some parts of Canada where real estate can be acquired, freehold, at modest prices.

For example, when I visited London last Sunday, I was told that under a community services program there was a large community where the price of homes now for sale is somewhere between $30,000 and $40,000. I would argue that the $10,000 would make a very good start toward a down payment on those types of homes.

REQUEST THAT MAXIMUM PERMISSIBLE LEVEL OF SAVINGS BE RAISED

Mr. Gordon Taylor (Bow River): Madam Speaker, my supplementary question is directed to the same minister. The points raised by the minister do not answer my question. Secondly, they are certainly the exceptions in Canada. The people who are saving for homes today are costing the government very, very little. I am again asking the minister will he urge the Minister of Finance at least to double the present maximums, which would be more realistic in the light of today's prices for homes, and to provide for a catchup? Let us give the young people a chance to have homes in the future.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in response to the question I indicated that I could not, of course, go into the specifics of the advice that I have given to the Minister of Finance. I do not want to deal with specifics. Of course one of the difficulties, or one of the objectives, when giving any particular advice, is that we attempt to respond equitably to all people. For example, I have had questions of difficulties, prospective difficulties, and difficulties now faced by renters; and in all of the advice that we give we have to attempt to provide equity not only in the housing sector but also equity as between people facing problems with housing and those who are facing difficulties with employment, and so on, about whom we have heard.

Some hon. Members: Hear, hear!

THE CONSTITUTION

CHARTER PROPOSALS ON LANGUAGE RIGHTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, my question is for the Minister of Justice. I was shocked to read this morning that the government might amend and weaken the charter proposals on language rights by making them compatible with Quebec's Bill 101. Would the minister tell the House whether the government intends to back off its proposal with respect to language rights and, if so, what is the justification for such an about face?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, what the Prime Minister said was that if there is any suggestion to improve on the charter, it will be welcome. What we are trying to do is very simple. We want to make sure that Canadians who speak English and move to Quebec have the right to go to English schools. In return, we want to have the constitutional right, for the first time in the history of Canada, for francophones in the nine other provinces to have their schools. If the words in the charter can be improved, that is fine. The goals are well known. We think it is about time that we had equality in schooling across the land for Canadians who speak English in Quebec and for Canadians who speak French in the rest of Canada.

Some hon. Members: Hear, hear!

* * *

• (1140)

LABOUR CONDITIONS

EFFECT OF INTEREST RATES ON UNEMPLOYED WOODWORKERS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is directed to the Minister of Finance. For thousands of unemployed forest industry workers, yesterday's "stand pat" interest rate announced by the Bank of Canada, and predictions of 19.75 per cent stable interest rates for the rest of the year, equal the stability of the grave as Canadian woodworkers face a two-front attack by the Government of Canada. Many of those workers, like tens of thousands of other Canadians, cannot afford to renew their mortgages or build homes because of the government's carbon copy of United States policy, and now they, in their thousands, find themselves thrown out of work as dozens of mills close down, some permanently, again because of government policy and the decline in housing starts.

When is the government going to stop this two-front assault on Canadian woodworkers who now face over 37 per cent unemployment in the western plywood sector, a sector which is 85 per cent dependent upon the Canadian housing market? When is the minister going to recognize the state of emergency which exists in our hundreds of lumber and plywood-based communities, and what is he going to do about it now?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I found one question in the speech which the hon. member made, namely, when are you going to stop the two-pronged attack? I suggest that there is no such two-pronged attack in the policy of the Government of Canada.

Mr. Kristiansen: Madam Speaker, I see that the policy of the government is that, once it has driven woodworkers from their homes and they do not need money for their mortgage payments, it will drive them from their jobs as well.

* * *

FORESTRY

EXPORTS OF LUMBER TO UNITED STATES

Mr. Lyle S. Kristiansen (Kootenay West): My supplementary question is directed to the Minister of Industry, Trade and Commerce. Under Standing Order 43 yesterday I raised the question of mounting pressure in the United States. The governor of Oregon, a number of northwestern Congressmen, and two associations in the American lumber industry are putting pressure on the Reagan administration to impose quotas on imports of lumber from Canada. I would like to know, and thousands of Canadian woodworkers particularly want to know, what response the minister is giving to this matter, and what action he is taking to lobby the Reagan administration to protect our jobs in the United States.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are certainly aware of the situation described by my hon. friend. We are raising this with the American authorities to point out that the Canadian situation does not in any way justify such action. We will be continuing our efforts to do whatever we can to see that it does not take place.

* * *

DISASTERS

DESTRUCTION BY FIRE OF RIVERPORT SEAFOODS PLANT IN NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I, too, wish to direct a question to the hon. Minister of Public Works. On Saturday, September 26, a $20 million fire destroyed the Riverport Seafoods Ltd. plant which employed more than 600 people. The fire also completely destroyed the federal government wharf adjacent to the plant.

I therefore wish to ask the minister, since I immediately informed him of this disaster, whether his officials have as yet completed their surveys of Riverport. Since there is a need for continued docking space for the 23 ships in that area which are company owned, as well as privately owned, and operate out of that port, when does the government plan to rebuild this much needed facility?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, if, indeed, the hon. member has brought it to my attention, the officials of my department have not as yet brought that matter to my attention. Had the hon. member given me notice of his question today, I could have been in a position to respond to him today; but having now been put on notice of the question, my attempt will be to respond to him this day.

Mr. Crouse: Madam Speaker, I regret that the minister was not informed, because I did notify him on the Monday following the $20 million fire.

Mr. Nielsen: And he doesn't know about it.

ROLE PLAYED BY DEPARTMENT OF FISHERIES AND OCEANS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a supplementary question for the Minister of Regional Economic Expansion, but in his absence I would direct it to the Minister of Fisheries and Oceans, since he has a related responsibility in this particular field. Riverport Seafoods Ltd. was a major employer in this area, and there is concern that high interest rates, and a slackening demand for fish in the United States, which is creating extreme difficulties for Canadian exporters, could result in excessive delays in the plant being rebuilt.

I therefore ask the minister, in view of our high unemployment rate, whether any of his officials have been in contact with the management of this company to determine their future plans? If so, has he indicated to them that all possible assistance under his department will be made available, for rebuilding, and what, if anything, was the response?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I am not acquainted with contacts which have been made on the issue of rebuilding. I know that the question of rebuilding the wharf has been the subject of discussion. We are getting an assessment of the costs and the conditions. I might say to the hon. member that our role in this matter is to advise DREE, if DREE is involved, or other federal departments, as to the availability of fish in order not to increase the overcapacity problem which is pretty general on the east coast.

In spite of the warnings which I have given over the years, companies have expanded beyond what the resource could carry. I am not saying that this is the case concerning Riverport. Obviously, the company will have to make its own decision, and they have not had formal contact with the Department of Fisheries and Oceans, to my knowledge.

AGRICULTURE

CROP DEFICIENCY PAYMENTS TO APPLE GROWERS

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I must confess that I am having voice problems because I have neglected to eat my apple a day.

Mr. LeBlanc: Watch your Adam's apple.

Mr. King: However, my question is directed to the Parliamentary Secretary to the Minister of Agriculture. The minister and the parliamentary secretary, if he is present, are very much aware of the hardship which has resulted from months of delay in authorizing deficiency payments to the Canadian apple producers following the disastrous prices achieved for the 1980 crop. They also know that the national average price achieved for the 1980 apple crop was 6.85 cents per pound, which is comparable to 11 cents, the five-year average. In this circumstance will the parliamentary secretary undertake to ensure that the minister fully understands that deficiency payments to Canadian apple producers, under provisions of the Agricultural Stabilization Act, must now be despatched without any further delay?

Hon. Jean-Luc Pepin (Acting Minister of Agriculture): Madam Speaker, I must take the question as notice, and I will immediately bring it to the attention of the minister.

An hon. Member: Where is the parliamentary secretary?

Mr. Pepin: I am sure that we will have an answer by three o'clock this afternoon.

DELAY IN MAKING PAYMENTS

Mr. Fred King (Okanagan-Similkameen): Would the hon. gentleman also take the following question to the minister? This question is also directed to that minister, who knows full well that the protracted delay in making stabilization payments to the farmers has been due to outdated methods of calculation, to a large extent. This, together with totally unrealistic tonnage limitations, is responsible for much of the unhappiness which presently surrounds the functioning of the Agricultural Stabilization Act.

Will this question be conveyed to the minister? Will he assure this House, as soon as possible, that active steps are being undertaken to upgrade and update the way in which this act fulfils its role in keeping Canadian agriculture viable?

Hon. Jean-Luc Pepin (Acting Minister of Agriculture): Bis, Madam Speaker.

• (1150)

THE ECONOMY

INCREASE IN GOVERNMENT REVENUES

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Finance who, on numerous occasions in this House, has indicated very clearly that one of the reasons we are suffering from high interest rates in Canada is increased inflation. He has directly connected the two of them. I wonder if the minister could indicate what part has been played in the government battle against inflation by such government programs as the increase recently in the excise tax in Canada, the proposed increase in the price of postage stamps, beginning in January, and the extraction from the Canadian public over the next 5 years of some $50 billion?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has put together in his question a number of separate policies, but obviously he has referred as the main point to the energy agreement between the province of Alberta and other provinces and the Government of Canada, which has obviously resulted in higher energy prices and will continue to have that effect, even though the price in Canada will be lower than world levels. I believe his party certainly has subscribed to the necessity of higher energy prices, for very important national objectives. There is absolutely no doubt about it, that increased energy prices contribute to increases in the cost of living. That is clear. What has happened in other countries is that these energy price increases have been absorbed by the population in an effort to meet the challenge posed by energy price increases in the world.

RATE OF RETURN PAID ON CANADA SAVINGS BONDS

Mr. John Gamble (York North): Madam Speaker, the minister will recognize that in the course of that absorption to which he makes reference, inflation increased, and what we have are three specific illustrations of inflation producing policies of this government. One of the other problems that confront people who are renewing their mortgages, the minister will recognize, is the competition that lending institutions have with respect to the availability of funds. Can the minister tell this House how he has contributed to the availability of funds with respect to lending institutions when he has competed with them by setting a rate of 19.5 per cent for Canada Savings Bonds?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have already dealt with that question earlier in the session and have recognized that by putting a limit on the amount of CSBs that could be bought by an individual an adverse effect might occur. But since that time mortgage rates have lowered, and I do not regard the CSB rate at the moment as an obstacle to the flow of additional funds into the mortgage market.

[*Translation*]

AIR TRANSPORT

REQUEST FOR DETAILS ON QUEBECAIR AND REGIONAIR ISSUE IN MANICOUAGAN REGION

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Minister of Transport. At the opening of the Gagnon airport on October 13 of this year, the people of Gagnon submitted a paper to me and to the Parliamentary Secretary to the Minister of Transport in which they criticized the quality of services provided by Quebecair, and again yesterday the town of Schefferville sent another telegram to the member for Manicouagan, stating that Quebecair had practically stopped all services in that area. Considering the fact that air transport is an essential service in our area, is the Minister of Transport prepared to provide full information on the services of Quebecair and Regionair in the northern towns in the riding of Manicouagan and also on the middle and lower North Shore, and would the Minister of Transport ask the Canadian Transport Commission to check the routes and rates for the type of airplanes used in this area, with a view to preparing specific recommendations for future use, all this in order to assist people who need air transport since there is no alternative means of transportation and air transport is thus an essential service?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, actually I think we have acted in the best interests of the honourable member, who represents a vast territory, by considerably improving local airports. We also have a study on aviation operations on the North Shore which should come out in a matter of days or weeks. As to the representations made by his constituents to me through him I think that they should also be addressed to the Canadian Transport Commission. In fact, I think this was done and subsequently the Canadian Transport Commission held a public hearing in Sept-Îles a few months ago, if I remember correctly. And why go to the commission? Because it is largely up to that body to look after the licences it grants, and when carriers do not operate effectively the commission takes it into consideration when licences are up for renewal and also when granting new licences. So, while the hon. member should certainly continue to listen to the representations of his constituents and pass them on to me, I would suggest that he might concentrate his efforts, and he has done so most of the time, on the Canadian Transport Commission.

* * *

[*English*]

FISHERIES

MARITIME POLLUTION CLAIMS FUND

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans and concerns Bill C-48 and some of the provisions in that bill. The minister is aware of representations from the Canadian Labour Congress, in particular, regarding the Maritime Pollution Claims Fund, which they feel is totally inadequate to compensate fishermen, and recommendations to the minister to have that fund changed in that it should become a first recourse to fishermen. I should like to ask the minister in regard to compensation related to offshore drilling whether he will now make representations to the Minister of Transport regarding the Maritime Pollution Claims Fund, and also to his government, particularly the Minister of Energy, Mines and Resources, to see that Bill C-48 reflects that concern of fishermen about offshore oil pollution, and that a fund be set up within Bill C-48 that gives compensation firsthand to fishermen, with that fund claimed from the polluters?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the issue has been one of very considerable communication between the Minister of Energy, Mines and Resources and myself. In fact I have given, as an example of the way an enlightened approach could be taken, the pollution claims fund administered by my colleague, the Minister of Transport, where the changes made have gone a very long way to meet the concerns of fishermen and plant workers, and generally to protect those who are earning their living from the sea.

On the question of drilling under the provisions of Bill C-48, again we have had many communications. I think the bill was very substantially improved as a result of those representations and those made by members on both sides of the House. Certainly I will continue to exercise this type of enlightened communication with my colleague, if and when it is required.

NECESSITY FOR FISHERMEN TO TAKE LEGAL ACTION

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, those on this side of the House, and particularly members of this party, really do not think there has been very much enlightened discussion on Bill C-48. It still requires court action for fishermen to claim compensation for what has been claimed by a Norwegian study to be inevitable offshore pollution because of oil rigs. I would like the minister to give some idea to the fishermen on both coasts of what his role in C-48 has been. He seems to have been particularly silent. There is no jurisdiction in that bill which gives the fishermen any confidence that the minister of fisheries is really protecting their interests, and the interests of offshore fishermen and shore workers is particularly important to the Atlantic maritime provinces. We would like to see some assurances in Bill C-48 that the compensation fund can be accessible to fishermen for what may be very, very serious economic implications to the fishermen of Canada.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the intention of the co-operative approach which I have used, for example, with the Minister of Transport, is exactly to avoid duplication, and in fact to make sure that those who expose the fisheries to industrial dangers are very conscious of what they are doing. Obviously it will take some time before we develop the sort of regime we have in

transport by regulation. I think, by use of the claims fund, we have given the fishermen very considerable protection. I will take this approach in the case of Bill C-48, but at no moment have I abdicated my responsibilities under the Fisheries Act, and if I am not satisfied with the protection the fishermen are afforded under the Fisheries Act, there are powers held in reserve.

Madam Speaker: The hon. member for Winnipeg-Assiniboine.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I had a question for the Minister of Veterans Affairs, but he left the House before the end of the question period so I would like to have an opportunity to question him on Monday.

* * *

• (1200)

WESTERN DEVELOPMENT FUND

REQUEST FOR ANNOUNCEMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Finance. He will appreciate the fact that under the energy agreement with the western provinces the government will realize upward of $60 billion over the course of the next five years.

The minister also knows there has been a commitment made by the government to the Western Development Fund, which we now learn has been cut by half, to the amount of $2 billion. People in western Canada have given up on any thought that there will be any money forthcoming. They now have a new appreciation of the meaning of the word eternity.

With respect to the announcement regarding the Western Development Fund, will the minister tell us precisely when we can expect it, and when the consultative process will take place with western governments so there will be an announcement of this paltry sum to western Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am surprised that the hon. member would describe $2 billion to $4 billion as a paltry sum.

An hon. Member: Where is it?

Mr. MacEachen: I believe that is a good illustration of his sense and how seriously we ought to take him.

An hon. Member: You spend that in a week and a half.

Mr. MacEachen: In direct answer to the question, the parameters of the Western Development Fund were set out in the budget last October. If the hon. member will refresh his memory by looking at the budget he will realize he has misstated the facts in his question today.

I have already indicated that the Western Development Fund is still in existence. If there is to be any further announcement made to change or confirm the fund, it will be done in the budget, as it was done last year.

MONEYS AVAILABLE IN FUND

Hon. Ray Hnatyshyn (Saskatoon West): The amount of $2 billion is a substantial amount of money, but it is paltry when compared with the amount of money being taken out of western Canada. That is the point I was making. To use a golfing term, the minister and the government are caught "in a bad lie" with respect to this fund. He knows that. We had estimates tabled in the House of Commons last February indicating $350 million allegedly going to the Western Development Fund. There has been no precision with respect to that amount of money. When may we expect that? Should we expect it during the next fiscal year, or just before the next election?

An hon. Member: The next election.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not understand the hon. member's question when he talks about precision. He might put some precision into his questions so I may answer them.

Some hon. Members: Oh, oh!

* * *

PETITIONS

MR. PAPROSKI—VIA RAIL—CUTBACKS IN PASSENGER SERVICE—TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the ninety-first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Edmonton North (Mr. Paproski) and finds that it meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: I have a point of order, Madam Speaker, which relates to the exchange which took place yesterday between myself and the government House leader with respect to Remembrance Day. Since that time we have had a fairly positive statement by the Minister of Public Works concerning the budget date.

Perhaps the Minister of Finance would stay for a moment. Despite my request that the minister stay to respond to my point of order, Madam Speaker, he has left the House. He is still behind the curtain.

An hon. Member: He is hiding.

Mr. Nielsen: He may be hiding.

Mr. Kempling: He is getting out of the kitchen.

Mr. Nielsen: Perhaps if the Minister of Finance—

Madam Speaker: Order, please. If the hon. member has a point of order he must raise it now, regardless whether the minister is in or out of the House.

Mr. Nielsen: The Minister of Finance obviously heard me raise the point of order and call his name three or four times. Nonetheless, he chose to leave the chamber. My point of order was based on the exchange yesterday between the government House leader and myself with regard to members planning their constituency obligations next week. I know the government House leader cannot give a reply now as to the date of the budget so I will have to put the question again next week. There seems to be a clear indication from the Minister of Public Works that we might have been accommodated since he announced the date of the budget as November 9. I hope that is true.

[*Translation*]

Mr. Pinard: Madam Speaker, the Minister of Finance who is unavoidably absent at this time, is aware that I intend to discuss with him some time during the next few days, the request presented to me recently from the members of the opposition. So I do feel that at one of the upcoming meetings of the House leaders, which are the best place for discussing and deciding on this type of question, I shall be able to report on the matter to the hon. member.

* * *

[*English*]

PRIVILEGE

MR. FLIS—S.O. 43 MOTION OF MR. BOSLEY

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question of privilege arises out of a motion under Standing Order 43 proposed by the hon. member for Don Valley West (Mr. Bosley). He clearly tried to mislead the House when he said that he had agreement from all three parties on his motion. When I gave him my agreement, it was an agreement from the member representing Parkdale-High Park, because I do have a large Hungarian constituency. I made it very clear to him that he did not have the agreement of all—

Madam Speaker: Order, please. This explanation is not necessary. That motion was dealt with by the House. Since it did not get unanimous consent, we have to consider that it has been dealt with.

Mr. John Bosley (Don Valley West): Madam Speaker, what I did say was "members of all parties". I did not say "parties".

ROUTINE PROCEEDINGS

[*English*]

ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, it is my pleasure to table the Annual Report in both official languages of the Canadian Advisory Council on the Status of Women.

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PETITIONS

MR. NYSTROM—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I ask leave of the House to lay upon the Table a petition signed by some 2,375 people in my constituency, primarily of the city of Melville and the town of Ituna, concerning the discontinuance of VIA Rail on the CNR main line which runs through our constituency. They are asking that the rail line and the passenger service be maintained and also be improved as a service to the people of my constituency.

Madam Speaker: Motions. The hon. member for Wellington-Dufferin-Simcoe; stand. The hon. member for Etobicoke-Lakeshore; stand. The hon. member for Vancouver Quadra; stand. The hon. member for Wellington-Dufferin-Simcoe; stand.

Is the hon. member for Yukon rising on a point of order?

* * *

POINT OF ORDER

MR. NIELSEN—PROCEDURE RESPECTING CALLING OF MOTIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, on a point of order. I have noticed in the last couple of days the Chair has been calling the names of only the three members who have motions standing under this item on the Order Paper, notwithstanding that in two instances there are several items standing in the name of a particular member. For instance, the member for Vancouver Quadra (Mr. Clarke) has several motions standing in his name. The case is the same with respect to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty).

● (1210)

I would not want to see our getting into a practice whereby we simply lump all these items together. In saying this I mean no criticism of the Chair. I know that the Chair wishes to save as much time as possible in trying to lump these motions under a single name, but I believe the practice is that each of the items should be called. If that were the case, then one could follow what the Chair is doing. However, in the case, for instance, of the last four items under the name of the hon.

member for Vancouver Quadra, who is not in the House today, he might wish to rise on one of those, and he would not know on which one to rise. I suggest to the Chair that at least the name of the hon. member in whose name the motion stands should be cited seriatim as we go down the list. I am not suggesting it is necessary to read the whole motion but at least to repeat the hon. member's name so that I and other members can follow the list of the motions seriatim.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with due respect, I do not want to make the decision for you but I merely wish to comment on the point raised by my colleague. I believe it would be easy to correct the situation. I know he has no intention of taking the government by surprise and asking the member for Vancouver Quadra (Mr. Clarke) on Monday or Friday or any other day to move his motion for concurrence of the committee's report and thus bring about a debate. As a result of our talks I understood that the government would be given advance notice, and if that was the case his point of order is irrelevant. You would be given advance notice, Madam Speaker, so that the member for Vancouver Quadra could rise and move the appropriate motion concerning one of the four reports on the Order Paper. So unless it is my colleague's intention to play a trick on the government and take it by surprise, I fail to see how his point of order could be relevant in the circumstances.

[*English*]

Mr. Nielsen: Madam Speaker, the intervention by the government House leader did not deal at all with the point I raised. I am simply suggesting very respectfully to the Chair that the proper practice—it has always been so in the past—is for the Chair to call each of the items in order. In the last couple of days I have noticed that they have been lumped. I do not like to see our getting into loose practices, and I believe they should be called in order.

As far as the comments of the government House leader with respect to tricking the government are concerned, I have been sitting here and taking lessons from him since he has been sitting in the House, and I consider him the expert in the trickery department.

[*Translation*]

Madam Speaker: As far as I can recall, it would certainly not be the first time that I called a motion in the name of a member, knowing full well that there were three or four motions under that member's name. They have already been grouped. This is a practice I follow almost automatically when motions start to accumulate under a member's name. However, when I call a member's motion, he is perfectly free to say he would like to discuss this or that motion. He may rise and I could then give him the floor. I have no objection to calling the member for Vancouver Quadra four times in succession, if that is the wish of the House, but I felt that having called on the member for Vancouver Quadra, he was perfectly free to say at that time: "Yes, as a matter of fact, I would like to discuss such and such motions listed under my name". I can do that, however, and if he insists, I will!

MOTION TO ADJOURN UNDER STANDING ORDER 26

[*English*]

FORESTRY

UNEMPLOYMENT IN FOREST INDUSTRY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I ask leave, seconded by the hon. member for Kootenay West (Mr. Kristiansen), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent attention, namely, skyrocketing unemployment in Canada's forest industry, which has neared the 18 per cent mark and shows no signs of abating, and the shutdowns and lay-offs in the forest industry that are the result of current economic policy, which means disaster for the communities that depend on the forest industry for their livelihood.

Madam Speaker: The hon. member gave me notice of his intention to seek the adjournment of the House to discuss the matter of the high unemployment situation in Canada's forest industry. I must remind the hon. member that applications for debate in similar situations have been made in the past, and in this regard I want to quote one of my predecessor's statements which I extract from *Hansard* for February 13, 1978 at pages 2786 and 2787. He said, and I quote:

> In terms of individual communities and industries, the Chair has often been in a difficult position when attempting to adjudicate upon these matters because the terms of the Standing Order, as such, are to give leave or an opportunity to hon. members to bring matters of a crisis nature before the House which would not otherwise come before the House. Yet, it is not envisaged that that rule ought to be used to bring what are considered crises from individual constituencies or industries before the House.

In addition, as I said on October 14 last, economic problems are of a continuing nature and do not justify the allowance of debate of an emergency nature. The hon. member is no doubt aware that there are four allotted days remaining in the current supply period. I am sure there will be those opportunities and many others for him to bring this important matter before the House. Therefore, I regret that I cannot comply with the hon. member's application.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,411, 2,612, 2,706 and 2,803.

Order Paper Questions

[*Text*]

GRAIN BOXCARS ON CN RAIL LINES

Question No. 2,411—**Mr. Malone:**

1. (a) Did grain boxcars No. CN-420234, CN-475620, CN-478854, CN-425876, CN-481247, CN-487524 and CN-484457 arrive in Rosalind, Alberta on April 1, 1981 to be filled with grain (b) were they already filled with grain and, if so (i) at what location were they filled (ii) how many miles did they travel from where they were filled to Rosalind, Alberta where they were expected to be refilled?

2. Are full grain boxcars or grain hopper cars on CN rail lines sent to elevator sidings to receive grain to find they are already fully loaded and, if so (a) how frequently and what is the reason for the error (b) is the cost absorbed by the railway company or by the farmers directly (c) is CNR taking measures to alleviate the problem and, if so, what measures?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

1. (a) Yes.
   (b) Yes.
      (i) Vegreville and Lamont, Alberta.
      (ii) 1,660 miles.
2. (a) Rarely. In this instance the error was the result of elevator and yard congestion at Vancouver. On March 28, the date the cars were switched, Canadian National had 912 loaded cars of grain in Vancouver terminal; the Saskatchewan Wheat Pool elevator was 97 per cent full; and due to the congestion, the day shift placed the seven cars in an empty storage track at the elevator. The night shift, with instructions to lift all empties, placed the seven cars on a train of empties for return movement and spotting in the field. Once the error was discovered, the cars were returned to Vancouver where they were subsequently unloaded on April 11.
   (b) The cost of the extra transportation was absorbed by Canadian National in this case.
   (c) Canadian National is continually striving for the elimination of this type of error.

CONTRACT WITH CANADIAN MEDIA CORPORATION

Question No. 2,612—**Mr. Stewart:**

Did the Department of National Health and Welfare and the Department of National Defence issue a contract in the amount of $144,000 to Canadian Media Corporation for the acquisition of media time and space and, if so (a) for what purpose (b) what was the total amount of media time and space (c) what was the corporation's commission?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services awarded two contracts to Canadian Media Corporation, one on behalf of National Health and Welfare and the second one on behalf of the Department of Labour for the acquisition of media time and space.

(a) (i) for the purchase of media time and space in support of Canada-France agreement on social security advertising program.

(ii) for the purchase of media time and space in support of the National Plan of Action advertising program.

(b) (i) $16,000 for the placement of print advertisements in support of the Canada-France agreement on social security.

(ii) $128,000 for the airing of television commercials in support of the National Plan of Action advertising program.

(c) (i) None.

(ii) None.

CONTRACT WITH FIELD AVIATION LTD.

Question No. 2,706—**Mr. McKinnon:**

Was Field Aviation Limited, Toronto granted a contract for $4,200,000 to repair and overhaul aircraft components and accessories and, if so, which components and in what number?

Hon. J.-J. Blais (Minister of Supply and Services): Yes. Field Aviation Limited was awarded a contract in the amount of $4,200,000 to furnish the following services to DND during the period April 1, 1981, to March 31, 1984.

(a) Preparation of major equipment allotted to Aircraft Maintenance Development Unit (AMDU) Trenton, Ontario, for storage at AMDU or its storage site, Mountainview, in accordance with CFTO C-05-010-009/AM-000.

(b) Preservation of major equipment for storage.

(c) Removal of major equipment for storage.

(d) Removal and/or replacement of aircraft and aero-engine components, parts and assemblies from major equipment in storage.

(e) Performance of work related to or associated with execution of above tasks as directed by the commanding officer, AMDU. Such work will be, in the main, performed by personnel who are on standby status pending completion of trial flights or awaiting completion of work, rectification of snags, or supply of replacement aircraft parts or components found unserviceable upon removal of aircraft from storage.

(f) Support to aircraft maintenance as directed by NDHQ, Director of Aerospace Support Engineering.

CONTAINER TRAIN SERVICE FROM PORT OF HALIFAX

Question No. 2,803—**Mr. Crosby:**

1. Does the Canadian National Railways operate special trains to carry container boxes from the container loading facilities in the port of Halifax to destinations in Montreal and beyond and, if so, what is the size and specifications of the trains?

2. (a) For each year 1978 to 1980, what was the frequency of the service (b) will such frequency be maintained or increased in 1981 and, if not, what is the reason for any decrease?

3. Are steps being taken by CNR to ensure that the service will be maintained in the future if Dart Container Lines leaves the port of Halifax and the volume of container traffic decreases and, if so, what are such steps?

4. Is the government aware of any action that can be taken by shippers or others to ensure that CNR does not decrease the frequency of the service and, if so, what is such action?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways and Transport Canada advise as follows: 1. No special trains are operated for this traffic. High speed freight trains scheduled on a six-day per week basis handle container and other time sensitive traffic. If necessary, additional scheduled trains are operated to handle excess traffic.

2. No special trains were operated for container traffic during the noted time period. The frequency of the scheduled trains was maintained.

3. Subject to demand, the present scheduled service will be maintained.

4. CN Rail mainline freight services are designed to accommodate traffic being offered in a timely and efficient manner. As long as shippers maintain the current level of traffic between Halifax and Montreal, CN Rail will not consider cutbacks in its freight service schedules. The government is not aware of any other action that can be taken to assure the current frequency of service if traffic volumes are not maintained.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURES RESPECTING OIL AND GAS INTERESTS

The House resumed, from Thursday, October 22, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 17 (Mr. Waddell).

Mr. Deans: Madam Speaker, I rise on a point of order on a matter Your Honour may wish to consider over the weekend. I am referring specifically to the revised notes Your Honour prepared respecting motions to be put to the House in relation to Bill C-48. The practice, apparently, has been, under normal circumstances when questions have been grouped together, to put one of the motions and hold the balance over.

The example I give is that the grouping was Motions Nos. 7, 8, 9, 10, 11, 12, 13 and on. The ruling was that Motions Nos. 8, 9 and 10 seemed to offer alternatives and would be put to the House as follows: the question would be put on Motion No. 8; and affirmative vote makes it unnecessary for the House to decide on Motions Nos. 9 and 10; a negative vote necessitates the putting of the question on Motion No. 9.

I raise this point because at some subsequent date we will be taking the standing votes on a number of different motions related directly to Bill C-48. If we were to pursue the practice of receiving yeas and nays on only one of the votes, as we did last night, and not receiving yeas and nays on the subsequent votes, we would then be required, in the middle of taking the standing vote, to stop the process and to receive yeas and nays for subsequent votes which would, I put it to Your Honour, delay or at least extend the period of time for taking the vote, perhaps unnecessarily. It would also make it extremely difficult for the House leaders to sit down at some point between now and the day the recorded votes are taken and to decide on standing votes on some motions but perhaps not on others in order to expedite the business of the House.

I would like to ask if over the weekend Your Honour would consider as an alternative in matters such as this, where there is a large number of votes, that the yeas and nays be taken in every instance and that it then be recorded as to whether there is to be a standing vote subsequently. Then we would know for sure when we enter into our discussions which of the votes are to be recorded and which of the votes may in fact not need to be recorded, so that we can sort out the business of the House in a more expeditious way.

● (1220)

Madam Speaker: I am not sure that would expedite matters, but I am willing to look at the suggestion of the hon. member and study it. If the House leaders agree, we can perhaps study the procedure the hon. member is suggesting and comply with it, but it will have to be looked at very closely.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, last night I gave a preview of my speech. Now comes the speech. I called Bill C-48 a sleeper. By and large the press and the public of Canada have ignored this debate. They have been preoccupied with the Constitution and their own individual economic concerns, usurious interest rates when they have to renew their mortgages. I understand that. However, there is no point in assuring the political future of Canada through a new Constitution without ensuring an increase in domestic ownership of the energy sector of this country. That is the key for our future.

Today I want to begin the debate on the Canadianization parts of Bill C-48. These clauses of the bill lie at the heart of the National Energy Program. They are the ones under a barrage of unparalleled criticism from our American friends. I want to tell the government on behalf of our party, and indirectly the United States government, that the objectives of the National Energy Program will get our support, and I think public support, provided the legislation is tightened up to fully

reflect that. These objectives need to be spelled out. I will get to that in a few minutes.

I regret to say there has been evidence in the last few days that the Canadian government is backing off the National Energy Program and its objectives under American pressure. Yesterday we heard from the responsible government agency that there is a loosening up of the rules of Canadian ownership. Yesterday in Washington the American administration laid out quite clearly to Congress their objectives in dealing with Canada over these provisions. They said three things. First, they want Canada to end the discriminatory grant system. Second, they want Canada to stop the takeovers of American firms in the energy area. Third, they want Canada to rein in the Foreign Investment Review Agency. I am sorry to say the Americans are winning this game of pressure. All one has to do is read the speech made last week by the American Ambassador to Canada, who said FIRA was reined in.

What is happening behind the scenes and is perhaps not reflected in the House in day to day questions is that there was planned by cabinet what I call an NEP II. It was to be in the budget, but it is gone. We are not going to have an industrial strategy through an expanded FIRA which would really be the NEP II.

What we are going to see time and time again over the next few months is the government backing off those principles outlined in the National Energy Program. It is a pity. I want to talk a bit about those principles. The first principle is domestic Canadian control of the energy industry. Why do Canadians want this? My amendment is related to this because it substantially increases not ownership, but Canadian control of the energy industry.

Canadians want this for a number of reasons. They do not like the predatory practices of the oil companies. This is not just the ravings of some far-out, left-wing socialist radical. The evidence is all here in government reports in Canada and in books written internationally over the past five years. The Bertrand report showed price-fixing and predatory practices over a period of years. We are not surprised at the Stoner commission hearings now going on. The oil company lawyers express outrage. The evidence is strong. This is not new. I refer to Anthony Sampson's book "The Seven Sisters" published some time ago. He is a distinguished international author. The book shows the same practices having been continued internationally over the past 50 years.

Canadians want to control their own energy industry. They want to stop those predatory practices. The Canadian people want to control their own energy industry because they want to stop the outflow of capital. The argument is often made that the involvement of foreign companies in our oil sector has been a much needed source of foreign capital. That argument is a myth. Since the 1974 increase in oil prices, there have been capital exports. The industry started the capital outflows approach with $2.1 billion between 1975 and 1979. If dividends and interest payments were added, the total outflow goes to $3.7 million in that period. These are not my figures but figures from page 17 of the National Energy Program which show that we have been exporting capital.

Third, Canadians feel that decisions that affect the basis and scope of development should be made in Canada, not abroad. A good example is the Hibernia, which is being developed and is about ready to go. What a tragedy that the decisions will basically be made in New York, because Mobil has the leases and control of Hibernia. Canadians want those decisions made in Canada, not in New York or Houston.

Another reason Canadians want domestic control of the energy industry is that under the present system we lose the research and development technology. Last year in the House of Commons the hon. member for Oshawa (Mr. Broadbent) showed by letters and documents that Imperial Oil is sending all its research on the tar sands projects to its parent, Exxon in New York. We have research in heavy oil and tar sands. It is the forerunner of that kind of development in the world. What do we do? We allow the foreign-controlled company to send all the exclusive contracts in research and patents to its parent in the United States.

These kinds of practices have to stop. The evidence is there. I have cited some of it. One would have to be blind to miss it, and the Canadian people are not blind. They may be preoccupied, but they are not blind.

The second principle in the National Energy Program which is good is that there be a substantial public presence. Petro-Canada is very popular in this country. Just ask the Conservative party. You can look further, at the polls. Individual MPs send out questionnaires or householders to their constituents. I send them to the people in Vancouver-Kingsway. I asked my constituents what they thought of Petro-Canada and government involvement in the oil industry. By far the results showed that the people like Petro-Canada. They want a government oil company and they want it to be active and expanded. An article the other day in *The Globe and Mail* reported that sales by Petro-Canada are up in the stations they have taken over in western Canada, Pacific Petroleums. In eastern Canada they will soon be putting the Petro-Canada signs on Petrofina stations. When they do that, Mr. Speaker, the people will receive their Petro-Canada credit cards and sales will go up. People support this. This is important for us to understand.

• (1230)

But this government—and this is where we differ from them—has not followed this principle through.

An hon. Member: Where do you differ from them?

Mr. Waddell: My friend asks me where we differ from them. I will put it very specifically. What the government and the bill will do is take large American companies and replace private companies with large Canadian companies. In other words, they will take the Rockefellers and the Mellons of the United States and replace them with the Blacks and the Blairs of Canada. I must say Conrad Black wrote me a nasty letter after my last speech in the House of Commons, but I still think he is distinguished. I am sure Mr. Blair will write me a letter

after this speech, but I think he is distinguished too. The pricing decisions they take will not be any different from those of the large American firms or large Canadian firms.

When Bob Blair of Nova Corporation and these other companies get control of the production of oil in Canada, as they will through the National Energy Program and through this bill. They have control of the pipelining. When they get control of the refining, then they will be in a position to influence the distribution and price. This is exactly what the Rockefellers and Mellons did in the United States. It is exactly the pattern, and we will have the same kind of pattern in Canada.

An hon. Member: You would rather have Marc Lalonde running it.

Mr. Waddell: I do not want to have Marc Lalonde running it. I would like to see an increased role for—

Mr. Deputy Speaker: Order, please. It is the practice of the House that members refer to other members of the House by their constituencies, or in the case of cabinet ministers by their functions.

Mr. Waddell: Someone asked me if I liked Lalonde running it. I was not referring to the minister; I was referring to the name. I would be pleased if I could continue with my speech.

Since the introduction of the National Energy Program in the budget of October, 1980, with its grants and incentives to Canadian-owned companies, there have been a number of corporate takeovers and reorganizations that have taken place in this country. For example, there is Petrofina, Hudson's Bay, Aquitaine, Great Basin, Shell and so on. There have been some changes. Of the $6 billion in takeover costs, the Canadian ownership has increased by only 3.5 per cent. Canadian ownership of Canadian oil and gas production has increased, after all that action and everything that was promised, by only 3.5 per cent to 34.8 per cent. This means our oil and gas industry is still over 65 per cent foreign-owned. No other industrialized country in the world, Mr. Speaker, would permit that kind of situation.

My distinguished and hon. friend to my immediate right asks me what we would do. Let me tell him what the social democratic alternative would be. We would make Petro-Canada number one in the industry. We would operate it in a different way so that Petro-Canada is the leader in the industry. For example, we would try to protect small Canadian business by having Petro-Canada supply independents with gasoline. There would not be any price gouging. We would not appoint Liberal hacks to the board of directors or any hacks. On the board of directors we would have representatives of small business, representatives of the consumer and representatives of environmental interests and of native interests, so that Petro-Canada would be unlike the other oil companies. Also, there would be a substantial role for Petro-Canada in operating with northern native people in taking over and controlling some of the properties that may eventually be transferred in partnership with Petro-Canada and some of the native corporations I expect to be set up when land claims are settled. This is in fact a different way of approaching the issue.

Another principle in the National Energy Program is that there be an industrial strategy with real energy security tied into the whole program. Canadians want the benefits derived from energy development to stay in Canada.

The stakes in the energy play are simply enormous. I quote from an article in today's *Globe and Mail* by R. Donald Pollock. Mr. Pollock is chairman of the industrial policies committee of the Science Council of Canada. He says that in 1980—and he is talking about these stakes—

> —the net income of the petroleum industry in Canada accounted for almost 30 per cent of the total net income of all non-financial industries—up from 17 per cent in 1972. The figure is expected to go above 40 per cent by 1990. Unless Canada can reduce the level of foreign ownership in this sector, foreign firms will have the cash-flow from Canada's petroleum resources to acquire even larger sections of the Canadian economy or to ship out profits on a massive scale.

There it is put rather succinctly. If we do not have that control in Canada, we will see ourselves open to a capital strike, which we have seen. When my friends on the right get up and talk about rigs going south, that is a capital strike. All the lobbyists and pressure on the government, the price pressure on oil, results basically from foreign companies taking capital out of Canada. What kind of energy security or energy strategy is that if we are always going to be prone to having that happen any time a government wants to have a program? I say that Canadian private industry is quite prone to invest their capital abroad too if they do not like the Canadian energy policy. The Blairs and the Blacks will take all the benefits for a little while, and then when they do not like the policy, when there is something that conflicts with their own private profit, they will take their money out too.

This is why we must have more public ownership. We do not have to have public ownership of everything; I am not advocating that. But we have to have a mix. We have to have public ownership as number one.

Mr. Andre: You sound like a bricklayer in East Berlin.

Mr. Waddell: My friend from Calgary Centre (Mr. Andre) should listen to my speech, as I listened to his speech.

An hon. Member: What a joke!

Mr. Waddell: Then he might learn something.

Mr. Kempling: You cannot take it.

Mr. Waddell: My friend from Hamilton as well. My friend from Hamilton is bigger that I am, so I do not want to insult him too much!

Let me tell my two hon. friends and my hon. friends opposite what other countries have done. There was always an outrage in the committee when I raised the point of why Canada cannot do the same. Oh, we cannot do that for all kinds of reasons. It would hurt the industry. The government could not do that. It would be like the post office. We are talking about the energy industry and suddenly we get the post office. Look what Great Britain has done. The British Nation-

al Oil Corporation first claimed 51 per cent share in all oil production and it negotiated the purchase of it at market prices. This was the corporation that was in effect nationalized by Winston Churchill—

An hon. Member: Pardon?

Mr. Waddell: —that great radical socialist. That is true. My hon. friend should look at the history of it. It was Anglo-Iranian. I will pass it on to my friend.

An hon. Member: The British National Oil Corporation is a different company.

Mr. Waddell: The British national oil industry offers participation to joint venture partners, including foreign-owned firms, but retains control of all projects. In Norway, Statoil, the government oil company, can take up to a 70 per cent interest in any block of land it does not already hold. Statoil takes this interest after a find, but before development, and makes no payment for past exploration expenses. Compare this to the Canadian regime we are debating.

In Australia, foreign companies are allowed to explore, but only Australian and naturalized foreign investors are allowed to produce energy resources. To qualify as naturalized, a foreign company must have 25 per cent of its equity owned by Australians, a majority of Australians on its board of directors, and a public commitment to increase Australian equity to 51 per cent. I will deal with the Canadian situation in a minute, but this is one example at which to look.

• (1240)

Mexico nationalized its oil industry in 1938. It does not have to fiddle around with PIP grants and so on. In fact, it controls its industry fully. But one must be realistic; this will not happen in Canada at the moment. However, there is room for a great deal of expansion of public ownership. I think the government would find that there is a great deal of support among Canadians for it.

Let us look now at Canada. The Minister of Energy, Mines and Resources (Mr. Lalonde) said in New York on November 18, 1980:

> Do you suppose that a party proposing to reduce foreign control—
>
> He meant foreign ownership.
>
> —to 50 per cent within ten years would be regarded as anything but cautious to a fault?

Canada is cautious to a fault. We are going for a 50 per cent ownership by 1990. It will not be controlled, not public, but private ownership by 1990 and Petro-Canada will have a 25 per cent carried interest in Canada lands only. The previous owners are to be compensated for this back-in. This is the great radical policy about which our friends to the south are worried and about which our friends to the right get sick.

I should like to give an example of why Bill C-48 is so weak. I gave this example once before. I asked the government to reply to it or to deny it. I asked the minister in committee whether he agreed with it, and he said, "Yes". This is under the provisions of Canadianization. If Imperial Oil and Petro-Canada were to go into a joint scheme, we would see in development in the north and offshore all these schemes under this new program. The reason for going into it is that they want the grants; there is a grant system. I will deal with the grant system in a minute. They want some very rich government grants. If my friends want capitalism, why do we have all these government grants?

Mr. Andre: They do not want it.

Mr. Waddell: The reason for government grants is that the industry will not go into the area without receiving these huge grants.

Let me look first at how one qualifies for the grants and at the example of Imperial Oil and Petro-Canada entering into a project together, 50-50. We must remember that 70 per cent of Imperial Oil is owned by Exxon, the largest corporation in the world, a large multinational oil company. I use the example of Petro-Canada because it is owned 100 per cent by the Canadian government, it being the Canadian government oil company. If there were to be 100 shares in this consortium of Imperial Oil and Petro-Canada, Imperial Oil would take one half and Petro-Canada would take the other half. I said that Imperial was approximately 70 per cent foreign owned, which means approximately 30 per cent Canadian owned. If the Americans laid claim to the 50 shares taken by Imperial, they would get 70 per cent of the 50 shares, which would be 35 shares—and they would be classified as foreign shares—and the remaining Canadian portion would be 15 shares, which would be called Canadian. If we add that to the 50 shares of Petro-Canada which of course are all Canadian, then we have a project which is deemed to be 65 per cent Canadian owned. This is a Canadian ownership consortium, but in fact it is 50 per cent Canadian controlled and 50 per cent foreign controlled.

I should like to give a second example; the previous one was just a warm-up! This one will show how bad and how phony the system is. Let me take the case where Imperial Oil goes in with 70 per cent. It could be Shell, Gulf, Texaco or any foreign company. If they were put in for 70 per cent and Petro-Canada or any small wholly-owned Canadian company was put in for 30 per cent, this group would receive a production licence and grants and it would be called Canadian owned.

I will indicate how it works. Imperial Oil is 70 per cent owned by Exxon, so 70 per cent of the shares would be 49 shares or 49 per cent. These would be classified as foreign. The Canadian content of Imperial would be 30 per cent of the 70 shares which is 21 shares or 21 per cent. Petro-Canada or the small Canadian company which is in for the other 30 per cent would be all Canadian owned. It would receive 30 shares. In this project in which Imperial has 70 per cent of the action, under this scheme and this bill, 49 per cent would be foreign-controlled and 51 per cent would be Canadian controlled. This in fact is a foreign controlled play. This is Canadian ownership, and Imperial owns 70 per cent of that particular play. It

is a sham, it is a fraud, it is an illusion. I would not call it Canadianization; I would call it "Lalondization".

The government has gone to the Canadian public to try to put two things over on it. One illusion is that suddenly we are taking under public control the Canadian oil industry. As I asked last night, what is the biggest oil company in Canada? What is the biggest Canadian oil company? It is not Petro-Canada; it is Dome Petroleum. It is being put into private hands and the so-called Canadianization of the Canadian north is a shell game. We will have consortiums which look like they are Canadian but in fact are foreign controlled. This is the point of Motion No. 17.

I said that I would talk about the grant system. I want to say something about it before I conclude. It is very important to look at that system. In the past the Liberal government has used the taxpayer and the consumer to finance multinational expansion in Canada and their takeover of our energy industry. It was done by welcoming them in with virtually no controls and by giving them grants, write-offs, depletions, superdepletions and every kind of grant that we cannot get in our taxes but that these oil companies got over the past 20 years. Now the Liberals will make the taxpayer and the consumer pay to finance the buying back of the industry, not into public hands but primarily into private ones.

I should like to tell the House about these grants. I have outlined how one can get around being called a Canadian company. If one is a Canadian company, one can receive grants of up to 93 cents on every dollar in order to explore. It seems to me this is an incredible amount. For every dollar the company spends, there could be up to an 80-cent grant and another 13 cents in tax breaks. What do we receive for this? We receive a 25 per cent Petro-Canada interest. For that kind of giveaway 25 per cent goes to Petro-Canada. We get some taxes and royalties but basically we give out billions on grants.

What kind of system is this? Under the grant system we will give a 65 per cent Canadian-owned oil company in 1981 one dollar for every four it spends on frontier exploration. What equity will the taxpayer receive in return? As I said, Petro-Canada will receive a 25 per cent share of the exploration agreement and bears its proportion of the expenses as work progresses. If the well is shown to be capable of production before 1983, Petro-Canada must pay compensation for a share of the expenses prior to 1981.

● (1250)

Through the new grant system taxpayers put up over four times the amount the company does for exploration on Canada lands but receive only a one quarter interest in the project. For example, if the government puts up $40 million for a project, it receives a 25 per cent ownership, whereas the private company puts up $10 million and receives a 75 per cent ownership.

When the grant system is combined with tax breaks in the income tax system, the largesse for the private sector, provided at public expense, is even greater. The maximum benefit for a Canadian-owned company is an after tax and grant cost of only seven cents on every dollar spent on exploration.

If multinational companies actively engage in exploration they are better off under the NEP. Under the old tax system their after tax cost was 37 cents on each dollar spent. Now, under the tax system combined with the minimum grant, their cost is only 28 cents on the dollar when exploration is done on Canada lands.

I could cite figures until you become tired, Mr. Speaker, but I think I have made my point. I have said that the nuts and bolts of the National Energy Program do not live up to its objective and, in my book, this is misleading to the Canadian people. It seems to me that we suffer from a singular lack of vision in this country. We are still a colony. This American pressure on the limited National Energy Program is a good example of that. I gave examples of what other countries have done which show that we are a colony. We are afraid to take action. We need a new Constitution but we also need a crusade, as it were, to get control of our own economy.

I am sorry that the government is going to back away from expanding FIRA, from an NEP II and from an industrial strategy. This is the key sector of our economy.

I referred earlier to Anthony Sampson's book "The Seven Sisters" and I should like to conclude my remarks by quoting what he said at page 311:

> For the West's dependence on energy is now so fundamental and so expensive in terms of investment, that the planning and forecasting cannot be left primarily in the hands of private corporations.

That was his conclusion after a study of the industry. I say that the light of the evidence I have cited today with regard to the petroleum monitoring agency, the flawed grant system, the Bertrand report, the public opinion study—just about everything that has been written about the industry—calls for the government to have enough vision to make sure that Canadians gain control of this industry through the public sector, by and large led by Petro-Canada with the involvement of provincial Crown corporations and the small independent producers in western Canada.

If that mix were put together and this bill were amended to delete the loopholes and incredible giveaways, then there would be some justice for the Canadian people and the Canadian people would respond.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the remarks of the hon. member for Vancouver-Kingsway (Mr. Waddell) were full of so many inaccuracies and contain so much false information and such absurdities that it would take the rest of the afternoon to straighten out the facts, and I do not know how long it would take to get that party to believe the facts.

The hon. member criticized the grant system. I must say that this party agrees with him on that. If he would like to get together with us to see if we can find a way to get the government to drop this absurd grant system and go back to a tax-based system under which individuals knew the rules and could make decisions, rather than having a bunch of civil servants processing the grants, then we might make some progress.

When the hon. member criticized the grant system, I wonder whether he was aware of just how badly it is being administered by the government to which he wants to give even more authority. Is he aware that last fall when the PIP program was announced, a number of small independent Canadian oil companies went to the government to see what they should do about the new program because they wanted to get on with exploration. They wanted to know then they would get the grants, and they were told by the assistant deputy minister of energy, mines and resources that it would be about next May. Consequently, a number of them borrowed money from their banks and then drilled exploratory wells, but they are still waiting for the grants, Mr. Speaker.

This government to which the hon. member wants to give more authority has not yet figured out how to work the system. The bankers are clamouring for their money; they are laying off staff; their employees are moving to Denver. The Denver immigration office has stated that it has hundreds and hundreds of applications from Canadian oil men—these are not these big, ugly multinationals but Canadian citizens—who are being driven out of this country by the National Energy Program, with its bureaucratic controls and grant system. Yet the hon. member wants to give the government more control. How many Canadians would that drive to Denver? How many individuals who would like to stay in Canada is he prepared to see move to Denver before he will give up the absurd notion of turning more power over to the government?

Mr. Ouellet: Do you have the names of all these people? Produce them.

Mr. Andre: The minister is talking now. I know that these are only western Canadians. I realize that they are not real Canadians. Most of them are from the west and therefore are of no concern to a man of his stature.

Mr. Ouellet: A point of order, Mr. Speaker. I think the hon. member is very unfair. I asked him to give us evidence and a list of the names of these people who are lining up in Denver. He accuses the hon. member who spoke ahead of him of making a number of false assertions but I think he is even more inaccurate. I resent very much being told that I do not care for Canadians who live in other parts of Canada.

Mr. Deputy Speaker: The hon. minister does not have a point of order. He will have an opportunity to intervene in the debate and answer.

Mr. Ouellet: A question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member has made his point. The hon. member for Calgary Centre (Mr. Andre).

Mr. Andre: I will be pleased to bring in a newspaper clipping at two o'clock which gives the man's name.

Mr. Ouellet: A newspaper clipping!

Mr. Andre: It is a Mr. Jim Davis of the U.S. immigration office.

Mr. Ouellet: Oh, come on!

Mr. Andre: What kind of proof does the minister need? As a matter of fact I may be able to find a personal example. On Wednesday evening a number of people who came from Hungary originally were in town to celebrate the anniversary of the Hungarian uprising. Some of them had settled in Calgary at that time and had done rather well in the oil business. I talked to three who own individual companies and they have all moved 75 per cent of their business to Denver. They felt that they had been run out of Hungary and are now being run out of Canada and they do not want to go. The evidence is there for anyone who is prepared to look.

The hon. member for Vancouver-Kingsway said that we need more control. This shows that he does not know anything about the oil industry. It is the most controlled and regulated industry in Canada. You cannot get a piece of land, you cannot drill a well, you cannot run seismics, you cannot bring on production, you cannot put in a pipeline, you cannot put in a refinery, you cannot put in a service station—you cannot do a single thing without getting a government licence or permit. There is nothing left to control. The government controls everything now.

[*Translation*]

The Acting Speaker (Mr. Blaker): Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order. When the House rose at one o'clock, the hon. member for Calgary Centre (Mr. Andre) had the floor.

Mr. Andre: Mr. Speaker, in concluding my remarks at one o'clock, I was pointing out to the hon. member for Vancouver-Kingsway that when it comes to control, every single aspect of the oil and gas industry is under government control. There is nothing that a company or an individual can do which does not require government authorization of one form or another. Whether it is in leasing the land, drilling a well, running seismics, putting in pipelines or whatever, the government is in total control. The only freedom which is still left is the freedom to decide whether they are going to make an investment or not. That is the only freedom left. An individual or a collection of individuals gathered in a corporation still have that freedom in Canada. They can consider the rules. They can decide whether it is attractive enough, and they can assess the risk and decide whether or not to make the investment.

The fact that they have that freedom is what offends the New Democratic Party. It says that in exercising that free-

dom, some of them are deciding to go to Australia or the United States, that it is terrible that they have that freedom, that they should not be allowed to have the freedom to invest their money where they want, and that an end should be put to that freedom by nationalizing them all. In essence, that is what the New Democratic Party is saying. It is the kind of mentality which East Germany had prior to building the wall in East Berlin to keep people from exercising their freedom by leaving and walking across the border.

The New Democratic Party calls it a capital strike. Well, if an employee does not like the conditions in a company and he quits to go to work for another company, he has not gone on strike; he has simply quit. He is exercising his individual freedom. A strike is something else again. As a result of the NEP, the oil industry is exercising its freedom; freedom which, hopefully, it will not have taken away, if we are to call ourselves a free and democratic country.

Before lunch the Minister of Consumer and Corporate Affairs (Mr. Ouellet) was asking me to provide some proof about what is happening in terms of money and people crossing the border. I would say that he would have to be blind not to have seen what is happening in Canada. If he wants the opinion of the Governor of the Bank of Canada, I ask him to read some of the Governor's speeches which point out that the exodus of billions of dollars, which is responsible for our high interest rates in large measure, is a result of the NEP, which is another interesting paradox, if you will.

The New Democratic Party spent a good deal of time this week saying interest rates are too high, outrageously high; and we agree, they are outrageously high. Then the party spent the rest of the period today saying, "We want more of the same that caused the interest rates to be high; we want more of that kind of activity", which, according to the Governor of the Bank of Canada, is responsible for our interest rates being two or three points above those in the United States.

The minister asked me to provide proof. I have in my hand an article from the Calgary *Sun*, dated October 6, 1981, which quotes from the Denver *Post*. It states:

—U.S. immigration is now processing 'literally hundreds' of requests for work permits from Canadian oilmen.

The *Post* quotes Jim Hardin—

I believe I previously said Jim Davis before; I apologize.

The *Post* quotes Jim Hardin, a Denver U.S. immigration official, as saying: "There's been a big rush in the past year . . . we've never had anything quite like it."

There has never been anything quite like it in Denver, this mass exodus of Canadian citizens to the U.S. This is occurring because the Canadian government has made it unattractive for them to pursue their trade, to use their talents, to use their skills here in Canada, even while claiming it wants us to be self-sufficient. I do not consider that a strike; I consider that to be people exercising their freedom. I know a lot of them personally, and I know they are not going there because they consider Denver a better place to live than Calgary, Edmonton, Red Deer, or wherever they came from. They are going there because they want to make a living. The Canadian government, through its policies, has said, "We are not interested in the talents you have to offer; fend for yourselves".

Mr. Waddell: Alberta has accepted the NEP.

Mr. Andre: The hon. member for Vancouver-Kingsway talked about the big, ugly multinationals. I want to read him a story contained in a newspaper which he should accept as being of high credibility, the *Toronto Star*, dated October 18, 1981, a column by Irv Lutsky. It reads as follows:

Here is what Larry Darling, president of Concept Resources Ltd., says in the company's latest annual report: "At this time we wish to thank the Liberal Government of Canada for its National Energy Policy.

"Without this policy, Canadian enterpreneurs might have stayed only in Canada and thus would have missed the international opportunities the Liberals so much wanted them to find elsewhere.

"Without this new energy policy, Canada could not have been self-sufficient in oil by 1990. We are now assured of success—the same success we have with the Canadian Post Office, the Canadian Broadcasting Corporation, Canadian National Railways and Mirabel Airport.

"On a smaller scale, without this policy, Concept would not have found the Givans and Cowans wildcat wells. We would not have opened our offices in Denver and Billings (Mont.). Finally, had it not been for the Canadian government, we would not have discovered the Hailstone Dome oil field in Montana.

"Thank you, Pierre Elliott Trudeau and your Liberal party followers, for your help and assistance in furthering our cause for free enterprise."

● (1410)

The hon. member for Vancouver-Kingsway applauds the 25 per cent confiscation of privately held lands north of 60 and offshore. Let me quote him a letter from a Canadian-owned small oil company, one he is supposedly interested in. This is a letter to the hon. Minister of Energy, Mines and Resources (Mr. Lalonde) which states as follows:

Dear Sir,

Paramount Resources Ltd. is a Canadian independent which has been active in the lands defined as Canada lands in the recent National Energy Policy. Paramount, as operator for a consortium of Canadian companies and individuals, has operated four drilling ventures over the past two years at a total cost of over ten million dollars, perhaps not a large expenditure when compared to expenditures in the Beaufort and East Coast regions, but certainly significant from our standpoint. The program consisted of one well at Liard D-29 costing about $8,000,000 and three wells at Cameron Hills near Hay River, Northwest Territories which cost about $750,000 each.

The Government of Canada has in place a program called The Northern Mineral Exploration Assistance Regulations (SOR) 66-404 as amended. Before initiating each program, our company applied for a grant pursuant to these regulations but were advised the program was not funded and therefore no money would be available. The Liard D-29 well went considerably over budget but we proceeded anyway. By March 1980, we had expended about $5,000,000, the threshold expenditure for obtaining superdepletion allowances exactly at the time when the superdepletion allowances were cancelled. It is our understanding that we will receive no superdepletion allowances.

In each drilling venture, Paramount earned their interest from a foreign owned company, thus increasing Canadian ownership in these frontier areas. The four wells were only modestly successful resulting in two gas wells at Cameron Hills. The royalty rate, when we began our program, which we considered to be applicable was ten percent.

On October 28, 1980, the Government of Canada has seen fit to confiscate twenty-five percent of the interest we have earned, and paid for at great expense, with no restitution or compensation whatever. Apparently this government will allow Paramount to continue to pay one hundred percent of the costs of developing and maintaining this property until the property is ready to be placed on production. In addition, this government has indicated they will take forty percent of the profits of a fifty percent additional interest. As well, this

government placed an additional eight percent tax on any revenue from this property. All of this was done, we understand to "Canadianize".

If Paramount was a foreign corporation, we might be enraged. As a Canadian company, I can find no words to describe the rape and plunder the Canadian government has perpetrated on our company. The government has effectively deprived Paramount of all possible incentives in the past and has effectively removed the prospect of any profit in the future. Paramount would like to presume that you have only made an error and therefore will rectify this situation immediately.

That letter is signed by C. H. Riddell, President of Paramount Resources Ltd., and I think speaks volumes for this effort to Canadianize the oil and gas industry. The national energy policy and this bill have nothing at all to do with Canadianization; they have everything to do with a desire for more revenue and a desire for more direct government intervention, because this government, like their soulmates to the left here, the NDP, does not like freedom of choice to be left with private citizens or private Canadians. It wants more of it held in its hands. This government was able to convince the editorial writers of the *Toronto Star* that it is Canadianizing, but the Canadians down on the ground doing the work, certainly in oil and gas, frankly do not believe it. They are enraged and outraged, and some of them are moving out of this country, and all of this to Canadianize. Responsible people should not behave this way, yet there does not appear to be any way in which we can get them to behave responsibly.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the previous speaker seems to be in his usual state of indecision about whether he supports Canadianization of the petroleum industry or whether he does not. It is hardly a new feature of the ambivalent Conservative position on the National Energy Program and the subsequent agreement with Alberta, and it is not surprising that we should again see that confusion today.

The fact is that the terms of future oil and gas exploration and development in Alberta have now been settled with the Alberta government, the main producing province. I find it difficult to distinguish among the previous speaker's comments whether he was even aware that this agreement had been reached. He seemed to focus entirely on the policies of the federal government as if those same policies were not now adhered to by the Alberta government. Coming from Alberta, he must, however, be conscious that the Alberta government has now committed itself to a Canadianization program parallel to that fostered by the federal government. The Alberta government has itself undertaken not merely to administer such a program but to pay for the incentives to encourage Canadianization of the oil industry as it pertains to the province of Alberta.

In these circumstances, I find it puzzling to understand what the hon. member for Calgary Centre (Mr. Andre), is so excited about. I must infer from what he says that he believes the actions of the Alberta government are wrong, that the Alberta government reached a bad agreement with the Government of Canada. If that is his viewpoint, I wish he would just simply state it instead of implying such opposition throughout his presentation.

The previous speaker spent some time quoting from the *Toronto Star*. I do not know that any great purpose is served by quoting back and forth from various newspaper articles, but since the hon. member opposite initiated the process I might draw his attention to an editorial in the Ottawa *Citizen* of July 20, which reads in part:

The Conservative opposition . . . wants the federal government to ease off on its Canadianization plans under the National Energy Program.

The editorial goes on to say:

They are, in fact, doing nothing more than parroting the big, U.S.-based multinationals and American politicians who wouldn't recognize their own hypocrisy if they met it stark naked at high noon.

The editorial points out the contradictions in the position of the Conservative opposition, if indeed they have any position, would be worth reading into the record, but I would rather deal with the substance of the question of Canadianization and not engage in these footling exchanges of newspaper editorials.

Before the announcement of the National Energy Program, the Canadian petroleum industry was some 72 per cent foreign owned and 78 per cent foreign controlled based on production; that is on upstream revenues. Since the National Energy Program, which is almost one year old, foreign ownership of the petroleum industry had declined about 6 percentage points to 66 per cent, somewhat greater than my colleague, the hon. member of the NDP, indicated. Foreign control has been reduced by about 10 percentage points to 67 per cent. We are gratified on this side of the House by the progress that has been made, both in the public sector by the activities of PetroCan and in the private sector which has responded with initiative and imagination to the various incentives provided under the National Energy Program.

The most significant events causing that change in ownership in the past 12 months were, of course, the acquisition by Petro-Canada of Petrofina, the acquisition of Conoco's 52 per cent interest in Hudson's Bay Oil and Gas Company by Dome Petroleum, the acquisition of Aquitaine Canada, by the CDC and, more recently, the acquisition of a one quarter interest in Suncor by the Ontario Energy Corporation.

Those are major acquisitions which have reduced the level of foreign ownership in the Canadian petroleum industry. They contribute, in fact, to a total sum of $6.7 billion which has been spent on the acquisition of foreign companies which are over the $100 million price range. Of course, other smaller acquisitions have taken place by companies active in the Canadian petroleum industry and, indeed, by some companies which have hitherto been participants in that most dynamic sector of our economy.

• (1420)

In addition to those acquisitions, the Canadianization policy has made substantial progress in terms of farm-ins by Canadian companies on foreign company lands. There has been activity as well in the formation of new exploration companies with foreign and Canadian participation. No doubt these

activities will increase when the petroleum incentive legislation is passed.

Reference has been made to the relative merits of grants under the petroleum incentives program and the previous system of tax allowances. I would remind the hon. member opposite that it is his party which wanted to remove super depletion, which is one taxation measure that was used in the past as an incentive. His government, in its ill-fated budget of December 1979, undertook to remove that superdepletion incentive from the petroleum industry.

On the broader question of taxation versus grants, there can be no doubt that the tax-based incentives program under the previous system benefited mainly foreign-controlled companies because those companies had the tax revenue to benefit from the tax incentives. Consequently, that former system worked against the interests of a number of Canadian-controlled smaller companies which did not have the revenue flowing from their activities that the larger corporations had. For that reason, we have turned to the system of direct grants as a more equitable arrangement from which all in the petroleum industry can benefit, particularly Canadian-controlled companies.

As we move into the petroleum incentives program as well as the agreement between Alberta and the federal government, we have every reason to expect that the present satisfactory rate of Canadianization in the petroleum industry will continue and, in some respects, probably accelerate.

No doubt farm-ins and new exploration ventures will increase as the provisions of Bill C-48 are implemented. We expect the incentives program to bring further development to ensure a greater opportunity for Canadians to participate in their own petroleum industry.

I wish to conclude my contribution to this part of the debate by bringing to the attention of hon. members the substantial progress which has been made in our petroleum industry.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question!

Mr. Deputy Speaker: The question is on Motion No. 17 (Mr. Waddell). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

An hon. Member: I didn't see five members.

Mr. Hnatyshyn: You are supposed to have five members rising.

Mr. Deputy Speaker: We will now proceed to Motion No. 18 in the name of the Minister of Energy, Mines and Resources (Mr. Lalonde).

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 18.

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 23 by striking out lines 33 and 34 at page 13 and substituting the following therefor:

"other than a designated Crown corporation to the extent that it holds a Crown share or the minister holding a share on behalf of Her Majesty in"

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I simply wanted to note for the benefit of the House that the way the original Clause 23(5) of the bill was worded, it may have appeared that any share held by Petro-Canada, whether acquired in a private transaction or as a result of the operation of Clause 23 of the bill, was immune from reduction. The intent of the legislation, however, is that it is only the 25 per cent Crown share acquired under Clause 23 that is immune from reduction.

It is the purpose of this motion, Mr. Speaker, to clarify that point. The amended wording makes the intention of the section much clearer.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 18 (Mr. Lalonde). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay. I declare the motion carried.

Motion agreed to.

Mr. Deputy Speaker: We will now proceed to Motions Nos. 21 and 22 which have been grouped for debate. Motion No. 21 is in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 21

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 27 by striking out lines 36 to 42 at page 15 and lines 1 and 2 at page 16 and substituting the following therefor:

"(2) Her Majesty in right of Canada is hereby vested with and the minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of fifty percent".

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 22

Canada Oil and Gas Act

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 27 by striking out line 40 at page 15 and substituting the following therefor:

"fifty (50) percent share".

Mr. Deputy Speaker: The hon. member for Etobicoke Centre.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am glad some hon. members are saying just Etobicoke because pretty soon it will all be Conservative in Etobicoke and you will just have to say Etobicoke.

Mr. Deputy Speaker: If the hon. member will speak to the motion before the House, please.

Mr. Wilson: Mr. Speaker, this is a motion which will point out very clearly the distinction between what we in the Progressive Conservative Party stand for and what the socialist elements of this country, the Liberals and the New Democratic Party, stand for. I am glad the hon. member has finally admitted that his party is the socialist party in this country.

● (1430)

Mr. Lang: You are against Canadianization.

Mr. Wilson: I am glad the hon. member refers to Canadianization. I am going to point out to him a means of achieving Canadianization without the tremendous cost entailed in the Canadianization—nationalization—approach the federal government is following in Bill C-48.

Mr. Chénier: Tell us about Petro-Canada.

Mr. Wilson: The Progressive Conservative approach is a very simple approach.

Mr. Chénier: Simple and simplistic.

Mr. Wilson: We have supported the objective of 50 per cent Canadian ownership of the oil and gas industry. When we were in government, we administered the Foreign Investment Review Act to that end and, during that period of time, my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn), administered and was moving toward a broader energy program which would do just that as well; but the very fundamental difference was that we would encourage Canadian ownership, we would encourage investment by Canadians and we would not take the negative approach of discouraging foreign ownership.

The different means of achieving this is the very key to the motion we are debating right now. It is a very important motion in relation to its impact on broader economic factors, particularly the level of interest rates in this country, and I want to come back to that later on in my remarks.

Mr. MacLaren: Don't hurry.

Mr. Wilson: The hon. member says "Don't hurry," because he does not want to hear about the link between his approach to Canadianization—nationalization—and the impact it has on interest rates in this country. He has walked out because he cannot bear to hear the truth.

Mr. Kelly: He has heard it before.

Mr. Wilson: The motion on the Order Paper in my name is a means by which we could maximize Canadian private sector investor involvement in the development of oil and gas on Canada lands. We would ask the operator of any project on Canada lands to seek out the maximum Canadian ownership. In fact, we would provide an incentive for the operator to seek out the maximum Canadian private sector involvement in any project or consortium. To the extent that we would not be able to achieve 50 per cent Canadian ownership, at that stage we would ask the Crown, either through Petro-Canada or another Crown corporation, to take up the shares necessary to achieve the 50 per cent Canadian ownership objective.

Mr. Lang: Is this the newest flip-flop?

Mr. Wilson: This would be using the Crown corporation in the traditional Canadian way. If the private sector is not able to achieve a national objective, at that stage the Crown corporation comes in and achieves that objective. In this way we would encourage Canadian ownership. We would maximize the development of projects in the north and off the east coast, and again we would use the Crown corporation in the most appropriate way, as opposed to imposing it on every development in the north.

Let me come back to that because there is a very important difference in that there would not be the same level of confiscation. There would not be confiscation in the approach we would take. It would be done through encouragement of the private sector, which historically has been the way in Canada. What I want to do is to set out the current approach of the Liberal government to the development of Canada lands, because it is within the over-all context of government control and ownership that we must view this whole matter. Under this bill we know that the Crown corporation will have the right to take 25 per cent of every project in the north. We also know that under this bill the Crown corporation would be able to convert that 25 per cent ownership interest at no cost to a working interest when the production stage is reached and after a considerable amount of money has been spent on its behalf. Again let me underline the fact that this would be at no cost to the Crown corporation.

During the exploration stage the government and the Crown corporation would have access to all confidential information produced by the consortium, again at no cost to the government or to the Crown corporation. During this period the Crown corporation would have a vote on all decisions taken by the consortium. That means it would have a vote on any exploration work and any decisions affecting future develop-

ment. Again let me underline the fact that it would have that vote without any financial responsibility. How many instances can hon. members opposite cite to me in which an operator can be bound by the decision of a non-participating—in a financial sense—participant? There have been no other indications of this in my experience in business. The decision by private sector investors as to whether to proceed with a development can be swung by someone who does not have to participate in the costs of that development. I see an hon. member opposite looking at me in a very puzzled way. I looked at this matter in a very puzzled way at first too.

Mr. Thacker: But he will never understand it.

Mr. Wilson: There is another situation in which the Crown corporation can participate at no cost, and that is in the acquisition of the shares of any consortium the Canadian ownership of which falls below 50 per cent. The consortium would have an opportunity to increase the Canadian ownership rate to 50 per cent but, if it does not, the Crown can come in and acquire that shortfall at no cost. It is the combination of these free benefits that I maintain will reduce the level of development in the north.

There is another element which I think is important but relates to a future amendment. Let me just refer to that now. The government can designate, without any justification or reason at all, and not on the basis of a shortfall in the performance of an operator, the Crown corporation as the operator and ask the initial operator to move all his equipment out. The government could put the Crown corporation in as the operator without paying any compensation to the private sector at all. The Crown corporation would then be in a position to bid against private sector participants in various parts of the north. With the knowledge the Crown has gained as a non-paying participant in a number of these developments at the exploration stage, the Crown can bid against other operators in the north. It has the advantage of having that free confidential information.

In addition to all this, the government is in a position to control the degree of development in the north by ordering three individual drill holes in one particular year. These can cost upwards of $50 million each. Regardless of the impact that it may have on any program that is in place, there is no recourse to that. When a discovery is made, the government can designate when it is defined as being a significant discovery, when it is commercial and, if it is commercial, when it goes into production.

● (1440)

Finally, the government can issue a production order which states when production is to begin, the rate of production, the purchaser of the production and the price at which that production will be sold. All this is at the discretion of the minister. It is against that background that we have to look at the intent of the bill and the intent of the motion which I am putting forward.

When you look at this broad degree of control and broad degree of ownership position provided under Bill C-48 and at the same time the imposition of a 25 per cent ownership on the private sector investors, you can clearly see that the broader impact and force of this bill can hold back the rate of development in the north. It will not encourage the rate of development. It is that that we on this side are most concerned about.

We believe we must move ahead with development of the north. As I said many times, we have been waiting for over ten years for this legislation to come forward. We had hoped it would come forward on a basis that would encourage rather than discourage development.

We have a degree of confiscation here without compensation for the future. I believe that will withhold development. That is the main thrust of the objections that we have to this motion. This proposal in Bill C-48, if it is not amended, is punitive and negative.

The minister has said on a number of occasions that there will be compensation for the retroactive back-in of 25 per cent on discoveries such as the Hibernia and the Beaufort Sea, where work has been done and oil and gas have been found. This will be on a retroactive basis, but there will be compensations. If we look at the degree of compensation related to the level of exploration expenditure that has taken place to date, accelerated to some extent according to the amount of inflation that has taken place, it has no bearing at all on the value of the oil in the ground.

The reason I make this point is that there is a considerable amount of other exploration expenditure which has already taken place in dry holes, fields that will never come onstream. There will be no compensation for that. An oil or gas company which goes into the north, where the risk is high, the environment very difficult to operate in and where costs are very high, does not expect to find oil and gas in every drill hole they put down. However, when they do find oil, they expect to get proper compensation for it. The compensation formula put forward by the Minister of Energy, Mines and Resources (Mr. Lalonde) is totally inappropriate and inconsistent with the costs and the ongoing value that has been developed in those fields.

There is another element in this which we must look at. It is not a philosophical element at all but a straight practical argument. Over a period of time the Government of Canada will take 25 per cent control in any project in the north and in the offshore. As the size of these projects increase, the cost to the federal government of their ongoing commitment to invest in the production stage of these projects is going to be immense.

There is another element here. Because of the size of these projects, which will be in the $8 billion, $9 billion, $10 billion range and even higher as time goes on, the 25 per cent ownership position of the government will become the dominant position. Very few private sector investors will be able to afford 25 per cent or even 20 per cent participation in any of these projects. What is going to happen is that the decision-

making, not just for one hole here or one hole there but for all the fields across the northern part of this country, will be dominated by one player, the federal government.

Time and again in the development of the oil and gas industry in this country, we have seen a diversity of decision-making, a competitive nature in the industry and the ability of different elements in the industry to develop different types of technology in competition with each other, so as to make those important discoveries which in some cases have totally bypassed other members of the industry.

Let me draw attention to the West Pembina field, a very important discovery, one of the largest oil discoveries in Canada in recent years. That was the second discovery in the West Pembina field. The first one was at about 5,000 feet. No one thought there was anything farther down other than one company which had some technology. It went down the other 5,000 or 6,000 feet to the 10,000 or 12,000-foot level and made the largest oil discovery in recent years. That is the nature of the industry. If we had one dominant factor in the industry making all the decisions, maybe the West Pembina type of decision would not be made.

An hon. Member: Why not?

Mr. Wilson: An hon. member asks why not. The reason is there will be one dominant factor in the industry in the north that will be influencing very heavily all decisions. If that 25 per cent holder does not decide to go down, he can swing the vote. That is the fundamental difference. If you have a spread of ownership and decision-making, those decisions will be made.

That is how Hibernia was discovered. Two other companies had spent a lot of money but could not find anything there. Another company came in and said that if they did such-and-such, they would find it, and they did. We need that diversity of opinion if we are going to have development of this industry proceed.

As I said, our opposition to this bill is not just philosophical, although the debate does point out a very strong philosophical difference between the two parties and the little red rump at the end here. We believe the approach that we have put forward in Motion No. 17 will strengthen the private sector, strengthen the industry as a whole and strengthen the over-all development of our oil and gas resources in the Canada lands.

There are other problems we have to recognize. There are problems I related in the broader picture I presented about the greater control of the government in Canada lands and the burden placed by that control and ownership position of the government on the private sector. I do not think it is appropriate at this stage to develop all those points if I am going to hold myself to the topic of Motion No. 17.

● (1450)

Mr. Deputy Speaker: If I may have the hon. member's attention, the motion before the House is Motion No. 21. Does he know which motion he is speaking to?

Mr. Wilson: I was given the wrong number by one of my colleagues.

Mr. Deputy Speaker: The hon. member's comments have been relevant to the motion. He just happens to have the wrong number.

Mr. Wilson: Behind Motion No. 21 is the broader, philosophical approach to the whole question of Canadianization. Many people have asked what is the difference between the approach of the Conservative party on Canadianization and the approach of the Liberal party on Canadianization? As I said in my earlier remarks, when we were in government we accepted the 50 per cent objective of Canadianization in the oil and gas industry. I shall also remind members of this House that we made no attempts, contrary to what many members have said, prior to the 1979 election to weaken the operations of the Foreign Investment Review Agency. I was in cabinet and I had some involvement with the operations of the Foreign Investment Review Agency. During that time we were trying to improve the operations so that it would not be the stumbling block to investment, which has been the case since our time in government and was the case before our time in government. At no time were the operations and general intent of the Foreign Investment Review Agency undermined. I believe before and during our time in office the statistics show the operations were about the same.

We feel there is a positive way of achieving Canadianization and a negative way in achieving Canadianization. We have chosen the positive way. It involves greater encouragement to job creation and to investment in this country. It does not entail the very powerful negatives we have seen develop over the last few months.

Let me give a few clear indications, apart from the very clear differences under Bill C-48, how we would proceed on Canadianization. We would encourage Canadian ownership. The budget of the hon. member for St. John's West (Mr. Crosbie) would encourage Canadian ownership of companies through the Canadian stock investment plan. This plan would provide a shelter for Canadian investors against capital gains of Canadian-owned and controlled companies. We felt this would strongly encourage investment in Canadian companies, and would have a very positive effect on the Canadian ownership position in the Canadian oil and gas industry.

The proposal we put forward on Petro-Canada, a proposal that was made public shortly after the fall of our government in December of 1979, provided for a broad Canadian private sector involvement in that company. It also provided for Petro-Canada itself to go out, as part of its mandate, and buy a Canadian subsidiary of a multinational oil and gas company. We did not tell them they had to do that; we said that the new board of directors might find it was appropriate for the company to do it, and that they might find it was within their financial means to do it. We provided the financial means during the course of the proposal on Petro-Canada.

Another way we encouraged Canadian investment in this country was through two amendments on the treatment of

capital gains and on registered retirement savings plans. One of the amendments allowed farmers to take $100,000 of their capital gain on the sale of a farm, place it in an RRSP and use the RRSP funds to invest in the Canadian economy. This, again, would have provided a strong incentive to the acquisition of Canadian common shares.

The key approach we would follow would be to encourage Canadian ownership through incentives. We would use the private sector, both companies and individuals, to participate fully in this process.

In contrast, the Liberal approach has been a more negative approach. In Bill C-48 they impose their 25 per cent ownership, and not full compensation for that ownership, on projects that are under way. They would not take the risk that the private sector had taken in bringing the project to the exploration stage.

The Liberals have proposed a tightening of, and a greater intervention in, the activities of the Foreign Investment Review Agency. We do not know where that stands.

The Minister of Industry, Trade and Commerce (Mr. Gray) has said that is still in the mill. Other sources have said that that proposal has been pulled back. We do not know where it stands. We do know, however, that the existence of those proposals is casting a cloud over future investment in this country.

I believe the government must say one way or the other where they stand on that issue. Until we have that proposal dealt with one way or the other, it is going to have a negative effect on investment in this country. If there is a negative effect on investment in this country, there is going to be a negative effect on job creation. When we have 8.2 per cent unemployment, 900,000 people unemployed in this country, and expectations are that the number will increase further as we go further into the winter, we should not be deterring investment and we should not be deterring the creation of jobs in this country. Finally, the Liberals have interposed a much greater degree of state involvement through the operations of Petro-Canada.

In my earlier remarks, I said that Petro-Canada was perfectly eligible to go out and buy the subsidiaries of non-resident oil and gas companies. What we saw in the acquisition of Petrofina was the sloppiest acquisition that I have seen in my 18 years of experience in the investment business. A year ago September the shares were trading at less than $60 a share. Somehow or other, rumours got out that Petro-Canada was going to buy Petrofina. So what happened during that period? We had periodic run-ups in the value of those shares to the point when at $90 per share they said, "Yes, we are going to buy this company." What price did they say they would pay for it? Not $90 per share but $120 per share, more than twice the value of the company when those rumours started to occur and when Petro-Canada started the negotiations with Petrofina. This is what I mean when I say it is the sloppiest operation I have seen in my experience in the investment business. That sloppiness has cost Canadians, through the increased amounts of money that have been sent out of the country to create jobs in Brussels, many valuable tax dollars which could have been much better spent in this country.

An hon. Member: Consumer dollars.

Mr. Wilson: The minister said in defence of the price paid, "We only paid a premium of $30 over the $90 and that is consistent with the premiums that have been paid in other takeovers in North America over the past year." Again the minister misled the House, as I said a minute ago, because the premium he paid was not $30 over $90, but $60 over $60, the price at which the shares were when the negotiations started. That is costing us money.

That is why we said in the approach that we put forward on Petro-Canada a couple of years ago that we wanted Petro-Canada governed by private sector disciplines so they would not waste the tax dollars of people in this country. They would have been more careful—

Mr. Chénier: You wanted to dismantle Petro-Canada.

• (1500)

Mr. Wilson: No, sir. I hear the old myth surfacing once again. The hon. member said that we wanted to dismantle Petro-Canada. That was back about five years ago, in the early stages of the development of Petro-Canada. The former minister of energy can set the hon. member straight on that. When we were in government, we said that we would help Petro-Canada to grow and to be a powerful, profitable, large company in the oil and gas industry. This is what the proposal we put forward was to do. It would have been a stronger and more effective company in the oil and gas industry. It would have done more to create oil and gas development than the company which is being run by the government at this point in time.

I should like to return to the point at issue which I was discussing before I was interrupted by the Groucho Marx opposite. The key of the Liberal approach is more government ownership and more government intervention in the economy. Basically, it is negative in its direction.

The approach put forward by the Progressive Conservative Party would have led to a more positive investment environment in Canada, to more job creation, to a stronger Canadian dollar and to less inflation. This is the key. If it leads to less inflation, it will lead to lower interest rates. There is not a man or a woman in the country who does not believe that we need lower interest rates. This is the approach we would take if we were in government today. Canadians are becoming more and more anxious to see the Conservative party on the government side of the House so that it can make decisions which will create jobs and reduce the onerous level of interest rates.

I want hon. members opposite to listen carefully to my remarks. The Liberal approach clearly results in a negative business climate. I do not think there is a man or a woman in business in the country today who would say that the business climate is good. Yesterday I had occasion to speak with a man who said that the business climate in Canada is the worst he

has seen in his 16 years since returning here. This is a major complaint. It is the sort of comment with which we are faced. On top of that, the government is imposing a negative attitude.

Mr. Kelly: How do you explain the GNP?

Mr. Wilson: I am glad the hon. member mentioned the GNP. I ask him to repeat his question in approximately three weeks' time. It will be down the next time the numbers are out, it will be down in the following quarter, and in the quarter following that.

Mr. Kelly: What about today?

Mr. Wilson: We are in a recession now.

Mr. Kelly: I am talking about today, not three weeks from now.

Mr. Wilson: The GNP is down today. The hon. member is looking at the early part of this year. I ask him to bring himself up to date. He should bring himself into the real world and not read history books. The real world today has 8.2 per cent unemployment. In the real world today, there are 900,000 people out of work. The real world today has 21 to 22 per cent interest rates. We are in a recession.

Mr. Kelly: You are all hot air.

Mr. Wilson: We will see who is all hot air. The government has weakened the economy through its proposals in Bill C-48 and its proposals on Canadianization. It is the cause of the problems today. The Minister of Finance (Mr. MacEachen) blamed it on the Federal Reserve Bank, President Reagan, the gnomes of Zurich, and the international monetary community. The problems today are being caused by the government. Hon. members opposite on the back benches should get after the members on the front benches. Perhaps they do not want to do it in Parliament because they would not want to be seen attacking the government. I hope they are doing this in the privacy of their caucus, because the country requires some independent thinking. We are not getting it from the Minister of Finance. There is great cost to the approach of the government on Canadianization, both through Bill C-48 and its other measures.

It makes me sick to hear the hypocrisy of the New Democratic Party. Time and again members of that party say that we must reduce interest rates. They demand that interest rates be dropped. At the same time they propose policies which will force investment money and jobs out of the country into other countries of the world and will force up interest rates. This is totally inconsistent and irresponsible.

Mr. Deans: Do not believe him, Mr. Speaker, just because he said it. It is not so.

Mr. Wilson: If the hon. member will let me, I will develop the point I made in question period the other day. To the end of June this year, there was an unidentified outflow of capital—

Mr. Deans: Who reappointed Gerald Bouey?

Mr. Wilson: A number of individuals have sent out money in amounts too small to be identified by Statistics Canada. The outflow of money has amounted to $8.4 billion, which is five times the average figure for the same item in the 1970s. This is causing interest rates to be held up. I want the hon. member for Hamilton Mountain (Mr. Deans) to listen.

Mr. Deans: I am listening.

Mr. Wilson: Interest rates are being held up in an attempt to get money back into the country to replace the outflow caused by people who do not have confidence in the policies of the government, policies which are being fully supported by the NDP.

Mr. Deans: Nonsense.

Mr. Wilson: It pushes the government to increase the impact of these policies. What is happening to the relationship between Canada and the United States? This relationship is being severely damaged. The other night I commented on the fact that the relationship between Canada and the United States is at its worst level since 1812. The reason I made that statement was that many times over the past years we have been concerned because the United States has not paid too much attention to us and has ignored the fact that we are up here. The United States is taking action with regard to its problems on the worldwide basis. This has a negative impact upon us, which the Americans do not understand. The United States has been passive, but it is the first time I have even seen a United States government threatening to take active, aggressive action against Canada in retaliation for the problems created by our government.

We cannot afford to ignore our largest neighbour and trading partner when it starts thinking that way. The government is, in fact, ignoring and provoking the United States. Hon. members of the government, such as the Secretary of State for External Affairs (Mr. MacGuigan) and the Minister of Justice (Mr. Chrétien), went to the United States and made provocative statements, which encouraged the retaliatory action which is being proposed down there. I wonder why the government wants to provoke the United States Congress? Does it want to create an outside enemy to deflect attention from the problems in the country? I am less concerned about the actual actions taken by the administration or the United States Congress. I am more concerned about the signals this will send out to many people in the United States who have interests in one form or another in Canada and to individuals in Canada who may decide to move money outside the country. This is what concerns me most. It happened earlier this year, and the government has shown no intention of reversing its decision.

• (1510)

As I said, this has had a very important effect on the high interest rates that resulted from protecting the outflow of capital. That is the problem we have to fight. But there is

another way, a positive way of using the private sector, Mr. Speaker. It is a much more efficient way than using government. We would encourage development, we would encourage investment, and we would encourage the creation of jobs at a time when that is so important.

Which way should we be going? I ask members on the government side to tell me why the approach proposed in Motion No. 21 cannot be considered. It is a more positive approach to Canadianization than the negative approach that the government has taken.

Mr. Evans: Give us specifics.

Mr. Wilson: There is a very clear and specific provision in Motion No. 21, and I hope the hon. member opposite will speak to it. I ask hon. members opposite to tell us why they think this motion is not appropriate. I asked the minister, and he said that we have a difference of opinion on it. I have given him my reasons why I think the approach taken in Bill C-48 is not appropriate, so I think I am entitled to expect that hon. members opposite will tell me why they think Motion No. 21 is not appropriate.

Members on the government side and in the NDP have said that Norway does this. Norway is not Canada, Mr. Speaker; it is a country that consumes about 15 per cent or 20 per cent of its oil and gas reserves. We in Canada import 15 per cent or 20 per cent, while Norway exports about 80 per cent of its oil. It can afford to take a different position and to risk that the private sector will cut back its involvement in the industry. Norway can afford to turn off development and take more aggressive attitudes than we can. We cannot afford to take that position. We need the oil.

If the government were serious about the objectives of self-sufficiency in oil, it would not bring Bill C-48 forward in its present form.

That is the basis for Motion No. 21, Mr. Speaker, I hope we will receive an adequate response from hon. members opposite.

Some hon. Members: Hear, hear!

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to have the opportunity to discuss this very important motion, Motion No. 21, and to connect it with Motion No. 22. The motion is concerned with the development of our resources to the maximum, in the most efficient manner, and with the least amount of intrusion by government.

Without these amendments, the government will continue to govern in an inequitable way. One industry will be singled out for unfair treatment.

Essentially what we have to deal with is the theft, by confiscation, of 25 per cent of northern lands, irrespective of who did the initial development and exploration work. No matter what private company, Canadian or international, did the work, by writing a regulation, the government has established that it can claim 25 per cent of whatever is produced without paying any compensation. No other industry in Canada is subject to such harassment by the federal government.

I cannot help but believe that this is a reflection of the bias of the Minister of Energy, Mines and Resources (Mr. Lalonde). It shows his disdain for western Canada, a disdain which is reiterated in his speeches and his personal attacks on the regions of Canada.

An hon. Member: Sick!

Mr. Malone: An hon. member opposite says "sick". I would like to share with him something that I believe to be far worse. Just two nights ago, the Minister of Energy, Mines and Resources spoke in Sherbrooke, Quebec. A report of that speech reads as follows:

> Lalonde said a stronger threat to Canadian unity than Quebec nationalism could soon be posed by the growing wealth of Alberta.
>
> Canada, he said, could one day become a country with one rich province imposing its whims on the other nine if Alberta uses its billions to take control of foreign companies and the federal government does not maintain its role of enforcing the sharing of wealth between rich and poor provinces.
>
> The other nine provinces would eventually be at the mercy of Alberta's every fancy, he said, and a wave of (Alberta) nationalism of unprecedented strength could rise up if the federal government held back now from showing its teeth. "We don't pay enough attention to this threat" Lalonde said, "but it's a real one, it's there."

I submit that it is wrong to pick out one province and say that it is a threat to national unity. It suggests that that province is not willing to share. It flies in the face of everything that has been talked about with regard to the Constitution in the last 15 months. Federalism cannot work when the major player, the federal government, singles out one region and tries to draw the anger of the rest of the country against it.

The fact is that Alberta has a product that is worth world price, and it has negotiated with the federal government to sell that product at 75 per cent of its value within the next five years. To date, Alberta has contributed $30 billion to confederation by selling its product at less than world price. I submit that no other region in Canada can make such a claim.

The government claims that it will Canadianize the oil industry. This industry is located essentially in one region of Canada and that is not central Canada. When the government uses the term "Canadianize", it twists the language. It is really referring to a program of nationalization. This proposal was made in the same year that the government gave a guaranteed loan of $240 million to Chrysler Corporation and in the same year that it took Massey-Ferguson close to its breast to help it out. The unique difference between these multinational companies is that Massey-Ferguson and Chrysler are located in central Canada, while the oil industry is located away from the centre.

● (1520)

The people across this land do not mind the objective stated in the new energy program if it means a greater degree of Canadianization; but we do not have Canadianization, we have nationalization. We have nationalization of that industry which is located away from the centre. It was very much

reflected in the speech which was made the day before yesterday by the Minister of Energy, Mines and Resources when he was speaking of the province of Alberta. He said that we do not pay enough attention to that threat, but it is a real one and it is there. It shows the mentality of those who are now governing that they believe not in federalism or in a united Canadian family, but, rather, in a situation where they have power and control. They keep hoisting up the words, "multinational oil companies, multinational oil companies, multinational oil companies", as if they wanted one to believe that those were evil words which would somehow produce the same kind of reaction as might appear on the face of a ten-year-old when he is told to clean out the bird cage. They believe the "multinational oil companies" are bad words.

The people of western Canada want to ask what it is that is so awful about our multinational oil companies that the federal government needs to come in and confiscate 25 per cent under the titles called Canada lands, and what it is that makes the government want to take over multinational oil companies and run them as it runs post offices and other institutions. However, when the multinational is Chrysler Corporation or Massey-Ferguson, the government is out there licking off the dollar bills and handing them out, hoping they can save this good company.

If we want to have a greater degree of Canadianization, so be it. Let us take a look at Canadian industries and multinational industries and set up a program. However, any time the government starts to be selective, choosing one industry which affects one region and then virtually promising in the House of Commons that it will not touch any other industry, that this program will not apply to any other industry, then its program of selectivity is one that is foul and wrong—

An hon. Member: Fouled!

Mr. Malone: —and ought to be resisted by every Canadian. I see the parliamentary secretary wincing at that. He has been wincing long enough, with many of our oil rigs leaving and having left the country, heading for Denver, for Australia, for Oklahoma, for Texas, and all of the other various oil centres in North America.

When we talk about the vast number of oil rigs which have left because of this program, those of us who represent western constituencies, believe that when we talk about a rig leaving, everyone understands it as well as we do. Throughout this past year, I became conscious of the past that when we say a rig is leaving, most people outside of the oil producing regions do not really understand what we are saying. I believe they imagine that there is a truck with a derrick on it heading out of the country, that we have lost a truck, an associate driver, and something called a derrick which is being pulled behind. The fact is that when one loses a rig, involved in the move are about 16 liner trucks loaded with batteries of equipment and tools, compressor stations, extra power plants and the rig itself. The total cost of moving a single rig is in the neighbourhood of half a million dollars, nearly $500,000. Far more than 100 of those rigs, with all the men and equipment that go with them, have been driven out of the oil-producing parts of western Canada. They are heading off to the United States to drill wells and generate jobs there. Why? It is all in the name of some government in disguise which says that it is going to produce great national security and energy.

These Liberals on the other side have no representation in western Canada, with the exception of two members from Winnipeg. Perhaps it would be fair for me to remind them that when the present Prime Minister (Mr. Trudeau) first came to power, there were 56 elected Liberals west of the Manitoba border. Now there are three: two in the federal government, and one in the Manitoba legislature. That is what their policies have done to their respectability as viewed in the west. The fact is that they all had this notion that somehow they would tell Canadians that they were going to Canadianize, using all of those words that the Gallup polls told them to be pleasing. The truth is that they have considerably lowered our potential to produce oil and they have greatly reduced our possibilities for self-sufficiency by 1990.

Oh, how I wish there could have been a number of those Liberals with me when I saw some of these hard-working, private, Canadian business people at the auctions this past year, selling off their equipment because they had gone bankrupt. Oh, what a message they would have received! I know the risks that some of those young fellows took, having grown up on farms, having bought trucks, drilling rigs, and compressors, working virtually 24 hours a day, day after day, through Saturdays and Sundays, finally getting little fleets of five or six trucks going. There they were, somewhere in the middle of their lives, having everything auctioned off.

With the lack of confidence in the new energy program, what did we have? We had a sale taking place where one could hardly get a bid. Relatively new oil equipment was being sold for virtually the same kind of prices at which one could buy older farm trucks. It was a crying shame. There was certainly no need for this at all.

What we have is a situation where the government has given itself the power to come in and claim 25 per cent of all discoveries of oil on lands north of 60, irrespective of who does the work and the exploration or makes the discovery. Moreover, irrespective of what company does the development, the federal government can come in and give a licence to its own chief agency, PetroCan. I submit that all of that will do nothing other than cause a tremendous depression in the development of our high north.

I know that many people hold the view that our energy future is secure because of the fact that we will always be able to find some more oil. I believe that we have the potential for security for a great length of time into the future. We have a 300-year supply of oil at least which is extracted by way of the compression of coal, forcing it by liquefaction into oil. We have a tremendous potential in our tar sands and we also have a great potential that is yet untapped. However, what is not realized, and what the Canadian people are not fully aware of is that the oil of tomorrow will not be nearly as cheap as the oil of today. Those who do not know the industry, believe that

somehow the way one finds oil is to hunt around, drill a hole, and that a lake of it lies underground. They believe that once one has found that pool, put the pipe down and put the pump on, the price of oil should be the same from the day one discovers it, allowing for inflation, until the pool is dry. That is not the situation.

Oil is found underground in a tertiary formation. It is in a sandstone rock, similar to one's bathroom sponge. The newspapers or the media describe the first oil which was discovered in western Canada, the Turner Valleys or the Leducs, as blow-outs, gushers or high pressure wells from which oil shoots up several hundred feet into the air. There was oil all over the derricks, the men and the vehicles around. It was very cheap then because once the pool was discovered, the pressure of the oil forced the weight of the formations of the earth to shoot that oil up into the air. The pressure of the oil just pumped it horizontally to the refinery. That lasted for perhaps as long as ten years. Then, approximately five or six years ago, along came the rocking donkey head pumps. We then went into the period during which hot salt water known as brine was pumped down into the formations. That is the stage at which most of our oil wells are today. Those of us near the oil industry use a term all too loosely, I submit, when we say we will be out of oil in eight years' time. What we are really saying is that we will be out of the present methods of extracting the oil by that time. The truth of the matter is that when we say we will be out of oil eight years from today, there will still be 75 per cent of the original finds in the tertiary formation. It will not be in the big holes in the tertiary formation, it will be confined to little, minuscule holes, and new methods of getting the large volume of oil out will be required. This is what is generally referred to as enhanced recovery. You have to use a solvent such as Varsol, or some kind of solvent, to loosen it up and get it to flow. All of our future oil will come from enhanced recovery offshore, from the north slopes, from the tar sands or in situ. Every one of those shows a sharp upswing on the chart in terms of cost. Any of the clauses in the present legislation that discourages incentives will cause a dramatic downward pressure on our ability to develop a find, because the costs are going to rise sharply as we move rapidly out of the period during which we have enjoyed free running oil into a period when we will have developed or enhanced oil through the use of some solution, or else we will have to explore many more distant regions, which will not allow for the kind of development we would all like to see.

● (1530)

With regard to the whole question of Canadianization, the government, knowing that Canadians like the word "Canadianize" and do not really like the word "multinational", uses these words selectively, with the feeling that somehow they must obtain control of the industry. If it is a question of ownership generally across the industry, industry has already indicated the degree to which it would favour such a position. If it is to be selective ownership, we wonder what the motives of the government are.

More important, Sir, the government does not need the kind of control it speaks of. Today the government controls the industry as it did last year, the year before and five years before that, in so far as drilling is concerned, where you drill, when you drill, when you bring a well or field into production, also in so far as all the environmental controls are concerned, where the pipelines will go, who will build them, and what strengths of steel are to be used. It also controls refining, the quality and the amount to be sold on the export and on the domestic markets. This is all done through the National Energy Board and through the Minister of Energy, Mines and Resources. All the necessary controls are there, and if they are not, they can easily be put into place.

It is not necessary for government to own the industry and at the same time to write the rules with respect to that industry. What we have today is quite literally a case where the referee is one of the players in the game. In those lands north of 60, the federal government is fully knowledgeable about every formation and hole that has been drilled by an oil company. This information is all banked in the National Energy Board's closet, or library. It is fully aware of all that information. It owns an oil company and is able to compete. When any company, be it Ranger Oil, or whatever it might be, puts down a hole—and most often those exploration holes are drilled by wholly Canadian-owned companies—a full profile of the hole—whether it is dry or otherwise, whether there is gas or oil below, the kind of formations that are encountered—is mapped and sent to the National Energy Board, so the government has a complete map of all Canada's drillings.

The same minister who is in charge of all that information is also in charge of the energy company, namely, Petro-Canada. I submit that the way this game is played is simply not fair. One company has access to all the information, and on that basis an inequity exists. In view of the existence of that inequity, I think it is important that we accept the proposed changes in the amendment in Motion No. 21 in order to eliminate this situation of inequity, which is obvious, especially north of 60.

Mr. Albert Cooper (Peace River): Mr. Speaker, Motion No. 21 contains a very important element of Bill C-48 which we are addressing today. I want to read it just to emphasize how important the subject is. It states:

> Her Majesty in Right of Canada is hereby vested with and the Minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of fifty per cent.

The key words in that, of course, are "a share sufficient to render the interest holder with a Canadian ownership rate of fifty per cent".

This motion really addresses what we consider a very fundamental part of Bill C-48, a very fundamental and significant element of this particular bill. The subject of Canadianization is a subject that I think intrigues all members of this House and all people in Canada. As a result, during the committee stage of this bill a great deal of time was spent discussing this particular issue, the implications of it and the possible roots of implementation.

Essentially, the question is: what does Canadianization mean? To my way of thinking, it means we have a Canadian corporation involved in the development of oil or gas, we have Canadian capital being used for that development, and we have Canadian jobs. In other words, Canadian people are the ones involved in the development of this particular product in the north, with Canadian people being given the opportunity to earn those incomes and gain their livelihood in this way. I do not believe anybody questions that or doubts the importance or relevance of it.

The concern arises from what we effectively have in Bill C-48 as it now stands. Do we really have Canadianization? My concern is that we are getting involved here in something called "double speak". We call it Canadianization, but in fact what we have is nationalization. The reason for that is very simple. When I talked about Canadianization, I was talking about Canadian companies, Canadian content, Canadian capital and Canadian jobs. That is what we are after. There is no need to make any further change. That is the goal we have and that is what we want to accomplish.

As Bill C-48 stands at the moment, the government is not content to take over 25 per cent ownership of a U.S. company out of the United States or 25 per cent of a European company. It is more concerned with what it is in fact doing, that is, taking over 25 per cent of Canadian companies. I begin to wonder right away how that could possibly be called Canadianization. Surely there is a confusion of terms. What we will actually and effectively end up with is nationalization, and nationalization is the fundamental principle we should be discussing and considering very carefully.

When I spoke on Bill C-48 in the past, I said it is a fundamental and important bill. It is the start of a whole lot of future activity in the north, and it is the start of an opportunity for many people in that part of the country who up until now have not had access to some of these jobs. Very often they are faced with high unemployment and with very few options from which to choose.

I think it is fairly commonly accepted that if you want to accomplish something that is difficult or something to which there may not be immediate acceptance in the arena of politics, the popular thing to do, something that is done very regularly, is to create what we call a straw man, an enemy. Often that enemy is not a real enemy but a figure of speech or somewhat of an illusion. I think that is what we are involved with right here, the creation of a straw man. The government's purported goal is Canadianization, but it creates a straw man by saying everything is owned by multinationals and foreigners. It is a laudable goal. Why would the government turn around and take 25 per cent of the Canadian corporations? If we look carefully, we can see that what it is really after is not Canadian content in industry, it is not Canadian content in opportunity, it is not Canadian content in capital but a real grab at control. Its justification for this is twofold. The first one is its need for a window on the industry. It has to see what is happening in the oilfields, what is happening to development in the north. The second one is to have some control in the direction of that development.

• (1540)

I think that what we are ending up with and what is the real purpose behind Bill C-48 is nothing more than control of the industry. If the government really wanted Canadianization, it would leave Canadian companies alone. It would not take 25 per cent of their interests in their lands.

What concerns me most, Mr. Speaker, is that if the government can apply this philosophy, this straw man approach to this industry, why should it not do the same to other industries in our country?

Canada is involved in many industries. Look at the forest industry, for example. Anyone who has anything to do with the federal government knows the importance of the forest industry, otherwise we would not have all these papers. Canadian people have an interest in the forest industry, so why not apply the same philosophy there? Why not take 25 per cent of that industry, if the government's argument is valid?

How about the newspaper industry? I am sure the government has quite an interest in that industry because I am sure that quite often there are comments in the newspapers about members of the government that they would rather not see. Why not apply the same philosophy there?

Why not do the same in agriculture? Surely we have an interest in food production in our country. Why not apply the same philosophy in this industry? The fact is that we are not talking about Canadianization, Mr. Speaker; we are talking about control of an industry and its direction.

If the government were really interested in Canadianization, it would accept the motion brought forward by my hon. friend, the hon. member for Etobicoke Centre (Mr. Wilson) because it does address the matter. It calls for 50 per cent ownership. It calls for 50 per cent control. Therefore, that motion should be acceptable.

We can see, after discussing Bill C-48 over the last few days, the dangers incorporated in it. These dangers cause me great concern because of the effects it may have in the north for a long time to come. We have talked about ministerial discretion. We are talking about nationalization today under the guise of Canadianization. The government has demonstrated a real ignorance of what is happening in the north and has turned a deaf ear to the concerns those people have about Bill C-48. In fact, we did not even go up into the north.

An hon. Member: Where were the Tories when we needed them on the committee?

Mr. Cooper: I believe Motion No. 21 addresses the central idea of Canadianization. It would accomplish what the genuine goals of Canadianization in this bill should be, that is an increase in the Canadian content of business, capital and jobs. Self-sufficiency should be the fundamental goal against which everything else should be matched. That does not seem to be the goal of the federal government, and it certainly is not

reflected in Bill C-48 as it now stands. This measure could present a tremendous opportunity for development in the north and development of jobs in the north. It is an opportunity which has been a long time coming for northerners. When we are talking about Canadianization, that is what we should be trying to accomplish. We should not be using the disguise of Canadianization to accomplish nothing more than the nationalization and control of an industry.

I am pleased to be speaking today in support of Motion No. 21 because I feel it does address the real issue of Canadianization.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are a number of points I would like to address with regard to Motion No. 21, I would also like to say a few things about the comments of the hon. member for Etobicoke Centre (Mr. Wilson) and the hon. member for Crowfoot (Mr. Malone).

The tax policies which the hon. member for Etobicoke Centre has described as being consistent with Motion No. 21, would presumably be some form of tax discrimination that would provide one tax for foreign-owned firms involved in oil exploration and development and another for Canadian-owned firms.

Mr. Wilson: Encouragement!

Mr. Evans: Well, incentives for Canadian companies that would not necessarily apply to foreign companies. That is the way you would encourage Canadians, as opposed to foreigners, to enter into these kinds of activities. I will discuss this matter later with the hon. member if I am mistaken, but if that is the concept he is following, I suggest we would be in very difficult times because of the GATT treaty, and the OECD. I wonder if the kind of policies he is describing as being consistent with Motion No. 21 would be received any more favourably by those individuals in the United States whom he described as being adamant about the adverse impact—

Mr. Wilson: You are misstating the whole direction.

Mr. Evans: —of the National Energy Program than the ones now under the National Energy Program.

Mr. Wilson: Twist!

Mr. Evans: We have heard about the outflow of funds from the country. The hon. member did not provide any evidence that I heard to indicate the cause of those outflows, whether they indeed resulted from the National Energy Program. I think he quoted the Governor of the Bank of Canada who said in his speech that as a result of the National Energy Program—he was talking about takeovers of foreign companies by Canadian companies—

Mr. Wilson: Read my speech in *Hansard*.

Mr. Evans: The Governor of the Bank of Canada had indicated that some $7 billion had flowed out of the country for takeovers. That was in exchange for ownership in companies held by foreigners. According to the hon. member, during that period of time there was an additional outflow of funds attributable to the National Energy Program. No evidence for this was provided by the hon. member for Etobicoke Centre—

Mr. Wilson: Read the speech.

Mr. Evans: —no substantial evidence to indicate that what he said is correct. We know how much flowed out of the country to buy foreign-owned companies, which is consistent with Canadianization.

Mr. Wilson: You are twisting the whole speech.

• (1550)

Mr. Evans: However, the hon. member was not able to make a connection on objective grounds which showed that any additional funds were caused to flee by a great fear of nationalization on the part of the industry as a result of the NEP, or any other government policies.

The hon. member talked about Norway and said that if the Government of Canada undertakes programs such as the National Energy Program, they will create a great fear, money will flow out of the country and other areas of development outside oil and gas will be affected. But then he turns around and says that since Norway has all that extra oil, it is all right for it to introduce such policies because that country has more oil than it needs. But what about the effect of those policies on other areas of development and on foreign investment in other areas in Norway? Should Norway not be worried about that and, if it is not—and Norway's policies are much more aggressive than anything considered under the National Energy Program—then why is it that Norway is still getting foreign investment outside the oil and gas area and, indeed, in the oil and gas area?

The hon. member for Crowfoot referred to development outside the Canada lands as well as on the Canada lands. He said Canadian companies were leaving Canada and simply were not interested in participating in oil and gas exploration and development in Canada as a result of the National Energy Program and in subsequent developments. To respond to that I would like to quote from *The Financial Post* of October 17. The article to which I refer is entitled "Prospect good for big 'new oil' flow" and reads in part as follows:

> "We're trying to convince investors to stop listening to the big companies that are crying in their beer and listen to the little companies that are finding the oil," says Don Jackson, president of Sienna Resources Ltd, a Calgary-based exploration company. "Under the new regime, if you can find oil, it is unbeatable. We'll drill as fast as we can get the money."

That does not sound to me as though the National Energy Program is driving small Canadian companies out of Canada. It sounds to me as if they are saying the NEP is a very good program, that it will lead to additional exploration and development, and that they can hardly wait to get their drills into the ground.

The article continues:

In a speech in Calgary last month, Premier Peter Lougheed defended the EPA in the face of industry criticism but said his government is prepared to make adjustments for any "anomalies" or "inequities" that might exist in the agreement for conventional oil production.

His conclusion was that there were no such anomalies or adjustments necessary, but that he would be willing to look at it. I think the Minister of Energy, Mines and Resources (Mr. Lalonde) has indicated the same thing, a willingness to be flexible, if what hon. members opposite say is true can be demonstrated, but we are hearing from the industry that it is very happy with the program. The article continues:

But, by all accounts, even now the pricing terms will create huge new reserves of conventional crude oil.

That is the area about which we have heard great cries of concern.

In their negotiations, experts from Ottawa and Alberta estimated that by the end of 1986—

That is when the pricing agreement ends.

—311,000 barrels per day of new-oil-reference-price oil will be on stream.

That is 311,000 barrels per day of new oil which is not found yet. It will be on stream from conventional sources, not tar sands, not heavy oil and not offshore.

Mr. Andre: How much is that of what we need?

Mr. Evans: The hon. member asks how much is that of what we need.

Mr. Andre: Fifteen per cent.

Mr. Evans: Let me go on.

Mr. Smith: Peter Lougheed likes it, Harvie.

Mr. Evans: I will quote directly from the conclusion of the article so that the hon. member cannot accuse me of misstatements. It says this:

By the end of the agreement period, oversupply isn't difficult to imagine. By 1986, according to the Alberta/Ottawa negotiated assumptions on consumption and production, Canadian consumption will have dropped to 1.58 million barrels per day from the current 1.78 million barrels per day. By that point, the planners expect Canada's production to be 1.27 million barrels per day. An additional 200,000 barrels per day from Hibernia and another 150,000 barrels per day from conventional Alberta production will have oil in search of consumers.

That is by 1986, and hon. members opposite are saying that by 1990 we will not be self-sufficient. I respect the experts in Calgary because they are the experts in the oil industry. They are the people who are drilling holes. They are not the people in the House of Commons talking to us every day. They are the people actually out there, drilling holes. They are the people to whom hon. members opposite have told us day after day we should be listening. These gentlemen are speaking to the press. They are speaking publicly and saying that the National Energy Program is not just going to work but that it will work extremely well. If it works from their point of view and creates energy self-sufficiency, then it works well from our point of view, which is the public point of view.

Let us look specifically at the role of Petro-Canada. It is said that Petro-Canada is virtually a useless agency. The United States is averse to Petro-Canada. The Americans do not like the National Energy Program. It is true that they might have some problems with parts of the National Energy Program, but I ask the hon. member for Etobicoke Centre to consider that total foreign investment in the United States is less than 5 per cent of total investment. Foreign investment in Canada in many sectors is more than 50 per cent. The Canadian people have told us clearly that they want to see that problem dealt with. They want to see their ability as shareholders and owners to participate directly in their economy enhanced.

The National Energy Program does that. It will correct a situation which has existed, and we agree with hon. members opposite that it has existed for far too long. We want to see that percentage brought down to 50 per cent and, if the private sector can expand further, we would like to see Canadian ownership even greater than 50 per cent. That is certainly my personal feeling. However, to say that another country should object strenuously to a Canadian policy which attempts to vest ownership of an industry in our own country to the point where the Canadian people own 50 per cent, and to see that strenuous objection coming from another country which is concerned about 5 per cent ownership in its own industry, is beyond my wildest imagination.

Mr. Waddell: Don't look at me, John.

Mr. Evans: It is ludicrous. Perhaps the policy is misunderstood. Perhaps hon. members of this chamber should be travelling to the United States to educate the Americans. Do they realize what their situation is? Do they realize how much foreign ownership there is in this country? There is no intention to nationalize, to seize or to take away without compensation. What we want is to participate more in our own economy and in our own future. There is nothing heinous or socialistic about that. It is just good, solid, economic common sense.

Before I stop I would like to say one more thing. The hon. member for Peace River (Mr. Cooper) talked about the 25 per cent back-in. The fact is that under the NEP, the Canadian public will pay up to 90 per cent of all exploration costs if, after exploration, oil is found. The Canadian government will say, "We have paid up to 90 per cent of all your costs so far; now we would like 25 per cent ownership." For that 25 per cent public ownership, we will pay 25 per cent of the development costs in the future, and there will be some compensation through a formula, which will have been agreed upon, for some of the additional costs which will have been incurred during exploration. That is not confiscation. The Canadian people will already have paid for 90 per cent of it.

Mr. Waddell: Why are we taking only 25 per cent then?

Mr. Evans: There are risks associated with drilling holes. One might drill 15 dry holes and pay the cost. We want to see exploration take place. Under the proposals of the New Democratic Party, exploration will not take place. Under this pro-

posal, all the people in the oil industry, in Calgary, say, the program is going to be successful, Canadians will see exploration and development take place. We will be oil self-sufficient not by 1990, but probably before 1990. May I call it four o'clock, Mr. Speaker?

● (1600)

The Acting Speaker (Mr. Blaker): It is four o'clock, but the Chair is not clear as to whether there might be a disposition among members to dispose of Motions Nos. 21 and 22.

Some hon. Members: No.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Items Nos. 18 to 156 inclusive on the Order Paper allowed to stand by unanimous consent.

NATIONAL DEFENCE

MEASURE TO ENCOURAGE GROWTH OF RESERVE FORCE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore) moved that Bill C-359, to encourage the growth of the reserve force of the Canadian Forces, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I am pleased indeed to have the opportunity to speak on my bill C-359, an act to encourage the growth of the reserve force of the Canadian Forces. The explanation of the bill is indicated in the explanatory note as follows:

The purpose of this bill is to encourage support for the reserve force of the Canadian Forces.

What I am suggesting is that reservists must be given the opportunity to train without prejudice to their full-time employment. They must be given this opportunity without fear of reprisal from their employers, without sacrificing their regular vacation and without sacrificing their seniority.

As you know, Mr. Speaker, reserve force training usually takes place in the evenings and on weekends during the year. However, the culmination of such training and an exercise to which all members look forward is the annual training exercise of two weeks' duration when the reserve unit is brought together at a specified military centre.

Too frequently reserve force members, in particular the younger members, are unable to participate in such exercises because their employer cannot or will not provide leave for this

purpose. Many young citizen soldiers do not have enough seniority in their employment to choose their holidays at the exact time of the reserve force training exercise to which their unit is directed. I remember taking these training exercises, but I was self-employed and did not have the same problem that many of these people have with their employer. Furthermore, some members are married and have a responsibility and natural inclination to spend a holiday period with their families.

At a time when the defence of one's country is very much an issue and when we as Canadians should get as much from our defence dollar as possible, a larger and better prepared reserve force is a desirable objective.

Military experts today talk of limited warfare engagements, with the major battleground taking place in Europe or the Middle East. Gone will be the opportunity of producing fighting men for it will be a "come as you are" battle. There will not be the time, as there was in the Second World War, when men went through their training and then on to battle.

I recall my own training. At the end of the war, I was still training in the RCAF. I received my wings after the war was over. It took over a year of training before I was qualified. We certainly will not be able to wait that period of time if another war should develop. Hence, there is a need for a better prepared and equipped reserve to bolster the fighting force if a war should break out.

Canada has an unparalleled record when it comes to the willingness and the ability to fight and defend, not only its country but also those of our allies in times of war. The success of the Canadian Armed Forces has been credited to the higher degree of readiness and training that they have received.

Canada's reserve force consists of the primary reserve and the supplementary reserve. The supplementary reserve is a list of personnel, either retired or honourably released from the regular force, who have elected voluntarily to have their names remain on the list. As long as they meet age, medical requirements, and remain current in their trade or occupation, they are liable to call-out when the need arises.

When the Korean war broke out, I was called out for a period of four months to train recruits at the Royal Canadian Army Service Corps school at Camp Borden to fight in Korea. I did not get there myself, but many of those I trained were in the Korean war.

The primary reserve is made up of four components; the naval reserve, the milita or the reserve land force, the air reserve and the communication command reserve.

Let us look at the situation in 1945. Canada had a population of 12 million and a reserve of 83,264. Six years later, with a population increase of two million to 14 million, the number in the reserve had dropped by 30,000 to 53,525. Seven years later, when Canada had a population of 17 million, we had dropped slightly more but still had roughly the same number. In those seven years, our reserve force had not increased although our population had increased by three million. By 1971, with a population of 21 million, the reserve force had

decreased to 21,869. Last year, in 1980, with a population of 24 million, there were 20,265 serving in our reserve, less than one tenth of 1 per cent of our total population. It can be seen from the statistics that although our population increased over the years, the numbers in our reserve force have been decreasing dramatically. In the past, the reserves have been an integral and imperative part of the Canadian Armed Forces and served as the training ground and back-up force to the regular forces.

Today the role of the reserve is twofold. First, to enhance the war deterrence of the Canadian Armed Forces and, second, to support the regular force in ongoing peacetime tasks and activities. General Richard Rohmer, a retired chief of the reserve forces, said:

> The role of the reserves force is to augment the regular force in times of peace, emergency or war.

Brigadier General Cowan, when testifying before the Senate Standing Committee on Foreign Affairs, revealed the extent of their role within the Armed Forces. He stated that it is the policy of the Department of National Defence that the regular forces and the reserve force be partners in the Canadian Armed Forces total force concept.

Historically, the reserve forces have always made a significant contribution to the total strenght of Canada's Armed Forces, and have played an important role in many military endeavours in both peace and war.

The reserves provide trained officers and men for reinforcement and they have a particularly important role in internal security contingency plans. First, the naval reserve maintains a control of shipping organizations for operation and expansion in time of emergency. Second, the militia also provides trained personnel for augmenting civil emergency operations, and third, the air reserve provides light tactical air transport.

Members of the reserve have always shown a great willingness to undergo training in peacetime to prepare themselves for active duty when called upon. Because their willingness is there, we need to provide a better arrangement for the reservists so that they may participate in training and educational activities provided by the armed services.

My bill pertains primarily to the public service and Crown corporations. As hon. members know, public servants in Canada come under the Financial Administration Act. Under military leave, section 47 reads:

> A deputy head may grant to an employee leave of absence without pay for a period not exceeding three years for service in
>
> (a) the regular forces; or
>
> (b) the active service forces.

Section 48 states that a deputy head may grant leave of absence to an employee who is a member of the reserve forces for any period during which the employee is required to take annual training, attend parades, assist in disaster relief, and so on. This kind of training can be with or without pay.

I remember the floods in Toronto in the fifties. My regiment, the Irish Regiment of Canada, was called out to do duty at that time because of a natural disaster. I recall also the Mississauga derailment disaster of not too long ago when some of the forces could have been called out. They could have carried on a very heavy role had they been required to do so.

• (1610)

The point I want to emphasize is that the deputy head may grant leave of absence. It is not demanded that he do so, but he may do so if he wishes. In effect, the government has encouraged employers, both in the private and in the public sector, to grant leave of absence to the reservists through a voluntary approach.

I believe the federal government should now implement legislation that will make it mandatory for leave of absence to be granted, both in the public sector and to employees of Crown corporations.

In 1978, the then Minister of National Defence, Mr. Barney Danson, set up the National Employers' Support Committee, called NESC. The members of this committee are prominent individuals in the business community. The committee encourages companies in the private sector to give reservists two weeks off in the summer to take their training, but it assures the employer that the employee will not lose job progression and the two weeks will not be considered as his vacation. The committee has been highly successful in the last three years. It appears that once executives in the business community are made aware of this need, most companies willingly grant the leave for reservist training.

The problems that NESC face are usually with the smaller companies. For example, if a company only has 20 employees and four of them want to go on reserve training at the same time this may create a real problem. However, this is the kind of situation that may be worked out. Certainly it may be a problem for the small-business man, but for companies such as General Motors and others, this should not be a real problem, and certainly not in the public sector or for Crown corporations.

As I said at the outset, I propose in this bill that the Minister of National Defence (Mr. Lamontagne) encourage that similar leave be granted outside the federal public sector, and to this end I suggest that he enter into arrangements with employers in both the private and provincial sector.

The issue of pay and pay supplements to reservists when on leave of absence is an issue that the NESC leaves up to the employer and employee to work out between themselves. The National Employment Support Committee does not involve itself in that issue.

In the United States, legislation does exist that gives reserves and national guardsmen leave without loss in pay or time. Section 6323 of the United States Code dealing with military leave, reserves and national guardsmen, states:

> An employee as defined by Section 2105 of this title or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, is entitled to leave without loss in pay, time or performance or efficiency rating for each day, not in excess of 15 days in a calendar year in which he is on active duty or is engaged in field or coast defence training—

It also provides—and I think there is an amendment—that the number of days can be cumulative, so that if you do not use up the 15 days in one year, you may use up the days in the following year.

During the 1950s and 1960s in Canada, the reserve force was investigated at various times by a committee, a commission, a study and a departmental review. Implementation of many of the recommendations of these investigative bodies dramatically changed the role, the size and the structure of the reserve.

In May, 1953, the Chief of the General Staff established a committee under the chairmanship of Major General Howard Kennedy to examine the organization, training and administration of the reserve army and make recommendations on ways of improving its effectiveness. One of the most important recommendations made by the Kennedy committee was in response to the weakened state of the reserve force which was attributed, in the committee's opinion, to apathy on the part of the public. I certainly hope that is not the situation at the present time.

In their report, they stated:

> ... that the reserve forces are not only necessary but vital to the defence of Canada and deserve the support of all citizens.

I might point out that at that time the reserves were at a level of 53,000; whereas today they are less than 19,000.

In February of 1964, the Minister of National Defence approved the formation of the Suttie Commission, placed under the chairmanship of Brigadier General E. R. Suttie from whom it gained its name. As the Kennedy committee before it, the Suttie committee stressed the need for public support for the militia. It asked for a vigorous public relations campaign to be spearheaded by vocal government support at all levels; but this was not forthcoming.

The organizational changes resulting from the Suttie commission's recommendations were sweeping and structurally disruptive. They brought about a diminution in the strength of the reserve in terms of units and personnel and reduced its capability to recruit, train and to administer itself. Many units were "mothballed", including the regiment that I was part of at that time, the Irish Regiment of Canada.

I will conclude my comments soon, Mr. Speaker, if I may have your indulgence for a few more minutes.

In mid-1965, the establishment of an organization known as the Deputy Chief Reserves was approved by the Defence Council. From this review of the reserves evolved one of the most detailed and comprehensive tasking plan ever developed in peacetime.

Briefly, the militia was divided into three categories: First, the ready reserve which consisted of individuals trained to such a degree in their particular trade that they can fill in for the regular force; second, the regional reserve, composed of units and individuals required to reinforce other units and committed to the defence of Canada; and third, the mobile command reserve, consisting of those units that would form the training organization needed in an emergency to reinforce the regular force.

The creation of these categories led to a fundamental change in the reserve's system of training. No longer would units proceed to summer training camps as organized entities under their own commanding officers. In future, only subunits that were part of the mobile command reserve would proceed to summer camp, where they were grouped into units of battalion size for training under regular force commanders. Training for the balance of the reserve would be conducted at local unit headquarters at regular force schools and on job training with units and organizations requiring their support in the event of an emergency. In this way, it was felt that the training resources could be concentrated upon the tasks to be peformed, rather than a general and not too extensive training of all the militia for all foreseeable tasks.

The idea was efficient from a financial point of view, but it overlooked two vital areas: first, the training of senior militia officers in the handling of their own units and men; second, the development of that "esprit de corps" so necessary for holding a unit together, particularly under trying circumstances. It can only be developed through long periods of working and training together as an organized unit.

On March 24, 1981, a subcommittee of the Standing Committee on External Affairs and National Defence was formed. The subcommittee was empowered to study the status, capability and role of the Armed Forces Reserves and report to the committee not later than December 7, 1981.

I look forward to the tendering of this report to the Committee on External Affairs and National Defence. I hope my bill will have some impact on their findings and on the report.

In conclusion, Mr. Speaker, it is obvious from the bill I am proposing that it is to encourage support for the reserve force of the Canadian Forces. It does not go all the way but is, I submit, a step in the right direction toward making it easier for those in the public service and Crown corporations to serve in the reserves, and to encourage the private sector and the provincial public sector to do likewise, in the interest of all Canadians.

Mr. Dave Nickerson (Western Arctic): I should like to congratulate the hon. member for Etobicoke-Lakeshore (Mr. Robinson), who has had a distinguished military career, on bringing this matter to the attention of the House. I wish that members on that side would not write out a 40-minute speech and try to get through them in 20 minutes. I found it very difficult to understand what the hon. member was saying. However, I promise to read his speech in *Hansard* and find out exactly how much sense it made.

We are pleased that at least one person on that side of the House spoke about the interest in the defence of Canada. Usually, we do not hear anyone on that side speaking about the Armed Forces, unless it is to advise us of yet more reductions that are to take place, or when they speak on their favourite subject of the unification of the three armed services.

The general intent of this bill is something that we, on this side, have no difficulty in supporting! During our brief term in office, when the Hon. Allan McKinnon was Minister of National Defence, we were setting up plans to support and expand the reserve forces. Unfortunately, we were not able to carry these out in any detail. This afternoon we have been given the information by the hon. member for Etobicoke-Lakeshore that since the government changed, there has been yet another reduction of, about 1,000 people in the Canadian reserves.

I find it difficult to understand why we are dealing with this bill this afternoon in one way, and that is because the subject matter of this bill is already before the subcommittee of the Standing Committee on External Affairs and National Defence. This illustrates the confusion opposite when it comes to defence matters. Perhaps the hon. member did not know that that was the case.

● (1620)

I am interested in what will happen in the debate this afternoon, whether hon. members opposite will talk out their own bill or try to refer this matter to the Standing Committee on External Affairs and National Defence for further study. The committee already has a mandate to study it. I do not know what type of disposition hon. members opposite would like to make. I will watch very carefully.

I have referred to confusion in defence matters. I should like to add to that by indicating confusion and neglect in another area. I have the report of the Standing Senate Committee on Health, Welfare and Science entitled, "They Served—We Care". Recommendation No. 4 of the report reads as follows:

> We recommend that all necessary steps be taken immediately to eliminate the unacceptable delays in processing pension applications and in pension adjudications which have accumulated since 1970—

Although there are some people like the hon. member for Etobicoke-Lakeshore who would like to see the government act, this illustrates that the Minister of Veterans Affairs (Mr. Campbell) will just not act. The trouble in the administration of pensions has been brought to the attention of the House on many occasions. I hope this renewed interest will see the matter finally resolved.

There is some difficulty with the mechanism proposed by the hon. member in his bill, although we fully support the intent. If a number of employees in a particular branch of the public service all wanted to take leaves of absence at one time, it might adversely affect the operation of the department. One example which jumps to mind immediately is the post office. Another one would be the Northern Transportation Company Ltd., a Crown corporation. Its main business is done during the summer icefree season, a matter of two or three months. If at that time employees of that organization decided they wanted to take leave of absence, it would disrupt the very necessary service rendered. There might be some difficulty there. I was not sure whether the hon. member who made this proposal was thinking that leave of absence with pay should be granted in all cases. If that were to be the case, it might be very expensive for the government.

I am pleased to see the hon. member indicating that he does not think that is necessary. Many people who serve in the reserve do not do it with a pecuniary interest. They do it to serve their country. I am pleased the hon. member takes that view also. If this were extended to private industry, the disruptive effects might be even greater.

The wording of Clause No. 2(2) of the proposed bill does not make sense. It is not a matter of law. The Minister of National Defence (Mr. Lamontagne) may encourage someone to do something. He does not need legislative authority to encourage people to do things. He can do that as a matter of course. It is just an administrative matter. There is some difficulty with the way in which the bill is worded. Many of the items proposed in the bill could already be done by administrative arrangements. It is not necessary to introduce a new law into the statute books.

I am about to commit the same parliamentary error as the hon. member who spoke first. I will speak very briefly to the intent of the bill, which we have said we fully support, and then I will speak in general about the Canadian Armed Forces Reserve. This subject seldom comes before the House and I think it is worthy of some discussion.

The hon. member referred to the supplementary reserves, those who have served honourably in the regular forces and continue voluntarily to play a very valuable role. I thought the primary reserve consisted of 20,000 people, but I have been informed that it now consists of 19,000 people and is shrinking every day. As the hon. member said, it is divided into four main sections, the first one being the militia, the oldest section having beein established in 1855. In the 1870s at the time of the Fenian raids, some 40,000 men served in the Canadian militia. At the time of those troubles, or of potential troubles between British North America and the United States of America, the main defence force in Canada consisted of the militia. They kept Canada safe from becoming part of what is now the United States, if we look at it that way. Then we have the naval reserve and the air reserve. It was very interesting to see just a few days ago the last flight of the single Otter in the Canadian Air Reserve. These have been replaced by Kiowa helicopters. The single Otter has been retired after a number of years of honourable service with the Canadian Air Reserve. Also there is the communications reserve. It is a very small unit consisting of 1,500 or so people.

Mrs. Appolloni: What about the rangers?

Mr. Nickerson: They have a special place in my heart. I will speak about them in a moment.

The reserves proved their worth in the First and Second World Wars. They provided the base or platform from which large military forces could be raised in short periods of time. For instance, a military force in excess of 600,000 people was raised in World War I. Of late, military strategists have given the matter of reserve forces some study. In terms of nuclear war, the strategists thought for awhile that perhaps we no

longer needed reserves, that if a war took place, it would be fought with the people who were on the spot and already trained, with the equipment on hand. The idea was that the war would not last more than a few days. Subsequently they have changed their ideas on that. Now we see that reserve forces might well play a major role in a major conflict.

Aside from their potential uses in wartime, they can be used to support the regular forces in their peacetime duties. Now it is agreed by all strategists who have thought about this, that Canada needs a reserve force. It plays a vital role and should be properly maintained and supplied. Certainly this was our view when we were in government. Our plan was to equip and supply the reserve forces adequately.

I should like to make a brief mention of the cadets. There are some 60,000 cadets in Canada—air cadets, sea cadets and those attached to the army. In particular, I congratulate the people responsible for building up a cadet force in my part of the country, in Canada's north. There are few things that young people can do to be a part of Canada. The establishment of the cadets has had a very beneficial effect. It has taught young people useful things. It has given them a sense of citizenship. They have been given the opportunity to do something useful with their lives by joining the regular forces when they graduate from school, if they so wish. Even if they do not decide on a military career, they will have done a lot of good for themselves and, what is more important, they will have done something good for Canada.

● (1630)

I should also like to see the re-establishment of the Canadian officer training corps. This has been allowed to lapse, but I think it should be established again in Canadian universities; indeed, I have never understood why it was discontinued. Many of the comments I made about cadets could be repeated with regard to the officer training corps. I understand that there is certainly a critical shortage of young, trained, junior officers in the Canadian forces. We should look to the universities to train these people and, to that end, the officer training corps should be re-established.

I should like now to deal with the Canadian rangers. In my opinion, this was a very elite part of the reserve. It is about 1,000 strong and is peculiar to northern Canada. Reserve units exist in many small northern communities, some only five or ten men strong. These people have been chosen because of their special knowledge of the local area. Should we ever have to fight in the north—and I hope that will never be the case—these people could render invaluable assistance to regular forces fighting on terrain and under conditions totally unfamiliar to them.

In peacetime, the Canadian rangers could also fulfil a vital role. All kinds of things could go wrong in the north for which their services might be required. An incident which immediately comes to mind is the crash of the Russian satellite in my constituency not too long ago.

I am pleased at the way a number of distinguished officers commanding the northern region, such as Major General Thorneycroft, General Withers, Brigadier General Beattie, and Brigadier General Baile who is there at present, have gone out of their way to build up the cadet force and the ranger force. They have travelled from one small area to the other to give scattered ranger units the encouragement they need. In particular I should like to commend the Nanook ranger series of exercises which have been conducted in the last few years.

In conclusion, Mr. Speaker, I should like to say that although we have some slight reservation about the wording of the bill, we can certainly support the concept. We would encourage full support for a Canadian reserve force, and we hope that the subcommittee, which presently has this matter under study, will report favourably to the House.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I should also like to offer my congratulations to the hon. member for Etobicoke-Lakeshore (Mr. Robinson) for bringing Bill C-359 to the attention of the House and calling for a reference to a subcommittee of the Standing Committee on External Affairs and National Defence.

The hon. member for Western Arctic (Mr. Nickerson) complained that the hon. member for Etobicoke-Lakeshore gave a 40-minute speech in 20 minutes. The usual complaint in this place is just the reverse; far too many of us make a 20-minute speech and take 40 minutes in which to do it. I congratulate the hon. member on the speediest presentation that I have heard in some time.

Even though we were not able to follow all his swiftly uttered words, I understand there is some disposition to have this matter go to the subcommittee, and therefore I shall not use up my 20 minutes. Perhaps half that time will take care of what I want to say this afternoon.

In a way, I am substituting for this party's defence critic who is a member of that committee, the hon. member for Selkirk-Interlake (Mr. Sargeant). He had to leave for Manitoba in order to deal with a little electoral unpleasantness caused by Premier Sterling Lyon. If he were here, I am sure he could deal with many of the details of the bill. Even though a number of my constituents have spoken to me of their concern about the appalling state of the reserve unit in this country, I do not think it is possible for me to deal with every aspect of this matter, so, like the hon. member for Western Arctic, I shall make some general remarks.

I should like to outline my reservation about the reference to the subcommittee. I support the reference but I do so with some real reservations. It is common knowledge around the Hill that this subcommitee has not been very productive. As a matter of fact, this information has filtered beyond the Hill, and I shall refer to this in my remarks.

The House gave a reference to the standing committee to report on the status, capabilities and role of the Armed Forces late last winter, with instructions to report by December 15 next. It was not until March 24 that the reference for a subcommittee was passed by the standing committee. On May

14, the subcommittee eventually met for the first time, and it was not until June 16 that it began to discuss how it would approach the subject. Yesterday it heard its first witness in public but, as it must report to the full committee by December 7, that will indicate to anyone with a slight knowledge of how subcommittees work, that it can only have about two and a half weeks left for hearings. There are still dozens of submissions to be heard on this very important subject. When the printing requirements, the time necessary for translation, the time necessary to get the committee to agree or disagree with subcommittee recommendations, are all taken into consideration, it is clear that the task is impossible. I am concerned about that, as are a number of other people.

I said that it is common knowledge on the Hill that the committee was not working well. This knowledge has spilled into the press, as is evidenced in the article by Douglas Fisher which appeared in today's *Toronto Sun*. I bring this up not to excoriate the subcommittee chairman but to point out that Parliament cannot ignore what is being broadcast in the media. I will quote that part of the article which shows that there is an urgent need to deal with the Armed Forces and the problems that relate to the reserve. The article reads in part as follows:

> Unfortunately, this urgency has not affected the work of the subcommittee, chaired by a Liberal MP, Maurice Harquail. Two months passed before the chairman called an organization meeting. Another month passed before a second meeting in mid-June. Over the period of the summer recess the committee was briefed and cosseted by the regular force military commands across Canada. (The committee did not use this opportunity to meet with the reserve troops, sailors and airmen who may be affected by their report or who could profile all that's haywire in the current reserves. Instead, the committee will receive their written submissions and hold hearings in Ottawa under the benign gaze of the defence department mandarins. This leaves the impression the report will be an inside job—

● (1640)

Fisher closes this portion with a quote:

> —whatever the Chief of Defence—

He does not say "wants". I think it is a typo that was left out; but I think that is the impression he was intending to leave. I am worried about this, and not just because of its subject matter. One of the things that we have noted here in this session of Parliament is the excellent work of task forces and subcommittees. We have had them on a lot of topics. We have had one on alternative energy of which I was a member, as was my colleague, the hon. member for Niagara Falls (Mr. MacBain), chaired by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). By all accounts, it was a thorough, capable—if not outstanding—job.

We have had the committee on the handicapped, chaired by the present parliamentary secretary to the House leader. We have had the North-South. They have all gotten down to work. They have done their homework, they have studied and they have reported. We know, from the length of time it has taken some of us and the hours we have put in on that work, how demanding a job it is, how complex it can be, and how long it takes. One cannot do it in two and a half weeks of public hearings if one is going to do a thorough job. It just cannot be done. As a matter of fact, with his interest in this subject, I do not know why the subcommittee was not headed by the hon. member for Etobicoke-Lakeshore (Mr. Robinson). Other Liberals have done thorough and favourable work as heads of these task forces and subcommittees, so I think that if he has that interest, perhaps he should have been the one.

I make reference to this because it is terribly disappointing, not just to parliamentarians, but also to the 19,000 or so Canadians who serve their country in the reserves. They do not do it for the money. They do not even get beer money out of it, really. They are doing it for a commitment; that is why they are doing it. I think they have a right to expect from Parliament much more than just a once over lightly kind of look at their problems. We will be letting them down unless we give an extension of the time permitted to the subcommittee and make some other arrangements. I see that the parliamentary secretary to the minister is here and I am pleased that she is. I know she must be concerned as well.

Dozens of other organizations and individuals have made submissions. They want to be heard. They have submitted briefs, they have indicated their willingness to appear before the committee, and they will not have a chance because the hearings are in Ottawa and there are only two and a half weeks left.

Let me turn to some of the other things more directly related to the bill. In principle, I support the bill before us. Perhaps the reservations about certain kinds of federal institutions mentioned by Northern Transportation Company Ltd. and by the hon. member for Western Arctic would have to be considered, but we are really referring the subject matter of the bill to the committee. Certainly, if one wanted, federally chartered companies could probably be added to the list of Crown corporations and other government agencies which might be included. However, the guidelines certainly have to be worked out. That is not our purpose here. Our purpose here is to deal not with the details, but with the principle of the reference.

If we are going to have a Canadian reserve, there must be proper training. The members have to get away sometime for training and vacations; maybe not two months, but two weeks at a minimum. They must have some training periods of reasonable length. More important, they ought to be able to train as units. This is now largely impossible because members of reserve forces, for the most part, can only train during their summer holidays and, of course, their vacations do not always coincide. That is another problem.

In addition, maybe we are asking too much of people who are already giving up one or two evenings a week and some weekends with their families in the service of their country; but, in addition to asking them to do two or three evenings a week or one or two evenings on weekends, we are now going to ask them to give up their summer holidays with their families, without any adequate kind of recompense at all. They probably will not receive the most effective training should some of the other conditions alluded to earlier take place.

I think this bill would overcome some of these problems and substantially contribute to the capability of the reserve forces. It would say, to each and every one of those people who are members of the reserves, that this country cares about what they are doing, and so does Parliament.

I would like to talk for a minute or two about the fact that there may be some debate about the role the reserves should play in Canada. We have reserves. There is no debate at all about the fact that they have been neglected, that their morale is down to zero, and that they suffer the inadequacies of poor equipment and inadequate training.

We are just about reaching Remembrance Day. We are not very far away from it. I guess my first memory of the reserves, then called the militia, goes back to the time when I was in elementary school. My elementary school principal was an officer in the Westminster regiment. We had cadets in the school at the time, and we had uniforms and all those things which probably would look out of place today. There were all kinds of other things and attitudes that we do not have today, too; but I will not go into those. When World War I was declared in 1939—

An hon. Member: 1939?

Mr. Rose: —who were the first ones to march off? My high school principal and the members of the reserve who trained in what was then called the Mission Rink, which has now been torn down. We later called it the armouries, and there are all kinds of names it was called. However, the fact is that there was an active group, part of the New Westminster reserve unit, the New Westminster regiment, training there at all times. They were the first to respond to the call when the call came, when trouble came.

If we let the reserves run down, as we have been doing, then who will respond the next time trouble occurs? Some people say that it will not matter, anyway, because when they start throwing those A-bombs around at one another, it will not matter whether we have reserves; we might as well have a few guys out there with pointed sticks or big shovels to dig holes. I do not know. However, maybe having reserve units can do something to at least prevent the last resort being used. Again, we could get a lot of arguments, both within and outside my party on that one. I remember the cadets; I remember the New Westminsters. I remember how they responded in World War I and in Korea.

Almost every industrialized nation, both in the East and the West Bloc, has a ratio of three in the reserves to one in the regular forces. Our ratio is exactly the reverse. We have three in the regular forces for every one in the reserves. We are out of step or something. The Senate subcommittee on this subject suggested that in wartime we probably need 108,000 reserves. We have 30,000 on paper, and obviously that is a force, even if they could all serve, which would be too small to discharge its obligations. Besides, how many could go, out of those 30,000 that are on paper? Some would be too old, some would be too young, and some would not be suitable for certain kinds of combat roles, and therefore, it is a serious problem.

The hon. member for Etobicoke-Lakeshore talked about augmentation. The reserves will be used, as a policy, to augment the regular forces; but if they are not trained as units, how can they? How can they adequately augment a regular force unit if their training is individual? For instance, an example is the Winnipeg Rifles. They do not train as a formation; they train as individuals. They would never go into action as a formation or work together as a formation. People who are much more knowledgeable than I in this particular area say that this will have some alarming consequences.

If we are going to augment the regular forces with the reserve units, why do we not arm the reserve units with the same equipment that is being used by the regular forces? There are some armoured reserve units which have scarcely seen a tank in this country, with the exception, perhaps, of a Sherman tank, but certainly not the Leopard tanks which are being used over in Europe. Naval reserves, I am told, are still using four-inch guns, probably two weapons generations behind what modern naval units are using. There are probably other examples that, if you searched, you could probably find, very easily, but I do not think I need to do so in order to make the point.

● (1650)

We need strong support by the regulars if our reserve units are to be functional. They are doing the training, they are the professionals and the ones who will be up to date. I do not want anybody to mistake what I am saying. I do not want to malign anyone. However, it has frequently been the practice that the officers from the regular forces chosen to train the reserve units are people an inch away from retirement. I am not suggesting that some of them do not do an excellent job, and I said I did not want to malign anyone. However, I think the greater number of them used to train the reserve units should be ambitious young officers whose record in reserve training would somehow help them in their advancement. I would look for that. Again I am sure there are many officers who are about to be retired who do excellent work, but I think there should be a better balance between young and older or nearly retired officers training the reserves.

I suggest the committee should take a look at these things. Just because we are different from some countries in Europe and the United States in that we do not have conscription, as some countries do, does not mean we are all wrong, but it certainly will not hurt to look at this.

I am a little concerned that, while we do support this reference and request today, we cannot have all that much confidence that the committee, if it continues to perform as it has in the last six months, will accomplish much, or that much will happen with the reference. I am sorry to say that, but I think that needs to be said.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I welcome this oppor-

tunity to correct the record in at least two instances and add, with reference to the last statement by the hon. member for Mission-Port Moody (Mr. Rose), to say that in my view it is very sad indeed that the author of the article to which he referred was not even present yesterday. It is unfortunate he was not present, as I was, because he would have heard three of the best briefs I have personally heard in a long time. The committee is working.

Another reference in the same article which he quoted said that the subcommittee on reserves had not spoken to the ranks, only to officers. I can assure the hon. member and the author of that article, and I wish he would come to the meetings before he covers them in the press, that we did speak to the "other ranks", both at Gagetown and Petawawa. In fact, at Petawawa I personally had the great thrill of being able to drive in a tank, and I assure you it was not an officer who drove it.

The other point I want to correct, and I think this is important for the record, relates to the fact that the mover of this motion, echoed by our friend from across the way, the hon. member for Western Arctic (Mr. Nickerson), misquoted some figures. They both referred to the present paid strength of the reserves as being under 21,000, and said it has fallen this last year. I am happy to report—and again, if the author of that report had been at the meeting yesterday he would have known—that the present strength of the reserves as of June of this year, far from being 19,000, is 22,898. So much for inaccurate reporting.

There were many other points I would have enjoyed making on this very important matter, but as a sign that this particular government and the minister, whom I am proud to represent in the House this afternoon, are much more anxious for action than for words, I will cut short my speech and move, seconded by the hon. member for Kent (Mr. Bossy):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-359, an act to encourage the growth of the Reserve Force of the Canadian Forces, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on External Affairs and National Defence."

The Acting Speaker (Mr. Blaker): Order, please. Hon. members have heard the motion proposed by the hon. parliamentary secretary, seconded by the hon. member for Kent (Mr. Bossy). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mrs. Appolloni) agreed to.

The Acting Speaker (Mr. Blaker): Shall the motion as amended carry?

Some hon. Members: Carried.

Motion (Mr. Robinson) (Etobicoke-Lakeshore) as amended agreed to.

Order discharged and bill withdrawn.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House that I call it five o'clock?

Some hon. Members: Agreed.

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

At 4.56 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 26, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

VIA RAIL

CANCELLATION OF SERVICES—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, the Government of Canada has been made well aware of the feelings of the people of Canada regarding VIA Rail cuts, and cutbacks in passenger service. A 19 per cent cutback of service in Canada means that 50 per cent of the service in western Canada is cut back, almost 50 per cent of the service in Atlantic Canada will disappear, and 1,600 VIA lay-offs will have an effect on 8,000 jobs in Canada. I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House instruct the Minister of Transport to rescind immediately the order in council cancelling one fifth of Canada's rail passenger service and call public hearings so that he may be informed of the current facts and the absolute need for this service in all regions of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

REFERRAL OF QUESTION TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, after VIA Rail arbitrarily removed trains Nos. 45 and 46 from Ottawa to Belleville, it announced that the Turbo would begin service between Montreal, Belleville and Toronto at the end of the month. Now VIA has delayed this service, citing problems with the LRC trains. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Transport make a statement on motions giving the full details of the problems facing the LRCs, the reasons for delays in other services, and authorize the Standing Committee on Transport to deal with the whole VIA Rail system in detail.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED RESCINDING OF ORDER IN COUNCIL—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43 concerning the VIA cutbacks which have upset Canadians from coast to coast. In view of the September 28 decision of the Canadian Transport Commission which said that the accounting system used to estimate financial losses of passenger trains is inadequate and should be reviewed, and since this means that the decision of the Minister of Transport (Mr. Pepin) to cut VIA services is based on completely outdated and inaccurate information, a fact which was confirmed by direct information given to me recently in Moncton and Saint John, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House urge the government to rescind the order in council abandoning passenger service, at least until the Canadian Transport Commission or the House of Commons Standing Committee on Transport holds a full public inquiry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CONDEMNATION OF MINISTERIAL ACTION—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, 100 years ago the arrival of the railroads signalled the beginning of many cities and towns in Manitoba. It is ironic that the Liberal government has chosen to recognize this milestone by completely removing rail passenger service from many of these communities. I therefore move under the provisions of Standing Order 43, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House condemn the Minister of Transport for his now infamous dictatorial edict of July 27 which removed all rail passenger service from many of these rural communities in Manitoba, leaving several of them totally isolated.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

SUGGESTED POSTPONEMENT OF CUTS IN PASSENGER SERVICE—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the task force on passenger rail service heard more than 50 briefs opposing the termination of the Atlantic Limited and the Edmundston to Moncton run. More than 13,500 names have been collected in the maritimes and have been presented to the House of Commons opposing these cuts, and a delegation well representing Atlantic Canadians has travelled to Ottawa today in an effort to retain these routes. I therefore move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the House instruct the government to postpone any cuts to passenger rail service until the democratic process embodied in the Canadian Transport Commission has been satisfied and public hearings are held to determine the fate of these lines.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CUTS IN SERVICE BETWEEN ALBERTA AND BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I too rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The cutbacks announced by the government in rail service between Edmonton and Vancouver and Edmonton and Prince Rupert will have very serious economic and social consequences for business and individual western Canadians, and since these indiscriminate cutbacks provide further evidence of the total disregard of the Liberal government for the growing feelings of alienation and isolation, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That the decision to eliminate VIA rail service from Jasper to Vancouver and to reduce by half the service between Edmonton and Prince Rupert be rescinded or at least postponed until public hearings have been held to determine the validity and consequences of such action.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR IMPROVEMENT OF SERVICE TO NOVA SCOTIA—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise under the provisions of Standing Order 43 to protest the latest illogical, discriminatory, counterproductive, arbitrary and destructive series of service curtailments by our supposedly national railway system, which eliminates 13 passenger routes, reduces another six, and affects the employment of 1,600 workers. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the eastern transcontinental route called "The Atlantic" from Halifax to Montreal, be retained, and that the government keep its promise of providing Nova Scotians with two light, rapid and comfortable trains by the autumn of next year.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

NATIONAL ENERGY PROGRAM

SUCCESSFUL OUTCOME OF FEDERAL-PROVINCIAL NEGOTIATIONS—MOTION UNDER S.O. 43

Mr. Al MacBain (Niagara Falls): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Since September 1 of this year the Government of Canada has reached energy pricing and taxation agreements with the provinces of Alberta and British Columbia. Today marks the signing of an energy-pricing agreement between this government and the government of Saskatchewan. I move, seconded by the hon. member for Scarborough Centre (Mr. Kelly):

That this House recognize and applaud all the parties involved in these negotiations for their efforts in carrying forward the National Energy Program which will benefit all regions of Canada.

Madam Speaker: Is there unanimous agreement for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR ARMAMENTS

CALL FOR GLOBAL DISARMAMENT—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the widespread demonstrations last weekend protesting the build-up of nuclear arms by both the superpowers, and in view of the decision taken by the United States to construct neutron bombs which are conceived to destroy humanity while preserving property, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House go on record calling for nuclear disarmament in Europe and throughout the world, and that there be an immediate ban on neutron weapons and an early move to East-West talks on arms control. Further, that this House and every member present have a vital and responsible role to play in bringing the world back from the brink of nuclear holocaust where we stand today.

This is a motion in support of global nuclear disarmament. Surely that is what this House and nation stand for.

Madam Speaker: Is there unanimous agreement for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

SUGGESTED SUSPENSION OF ORDER IN COUNCIL AUTHORIZING SERVICE CUTBACKS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That since the Canadian Transport Commission has ruled that Canada's rail passenger service is at an "irreducible minimum", this House endorses a measure to suspend the execution of Order in Council P.C. 1981-2171, in order to maintain passenger service at present levels until such time as a public body has had time and opportunity to review the minister's unilateral announcement of arbitrary cuts and cutbacks.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED REVOCATION OF ORDER IN COUNCIL—MOTION UNDER S.O. 43

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, the Canadian Transport Commission, after public hearings in 1977, recommended to the Government of Canada that two trans-Canadian passenger trains were necessary for reasonable rail passenger service, and pointed out that this was particularly true of the maritimes in general and New Brunswick in particular. In a front page headline the Saint John *Telegraph-Journal* on August 27 referred to the proposed "Atlantic" and other cancellations in New Brunswick as "Ottawa cutting the heart out of New Brunswick". Since the cancellation falls hardest on areas where no affordable or convenient alternative passenger service exists, and on those who cannot afford a more expensive means of travel, I therefore move under the terms of Standing Order 43, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the government do now immediately revoke the order in council cancelling certain VIA passenger service, renegotiate more for favourable VIA contracts with the railroads, and in general establish a VIA service which meets the needs as expressed by provincial governments, unions, chambers of commerce, mayors, university student bodies and a multitude of others.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR CONTINUANCE OF SERVICE BETWEEN TORONTO AND BARRIE, ONT.—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, the Georgian task force has predicted that the population of the city of Barrie will reach 125,000 by the year 2011. I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the Minister of Transport in concert with his provincial counterpart, the hon. James Snow, with whom I have been in contact, assure this House and the thousands of people to be affected that his department will provide for the orderly continuance and expansion of the economically viable VIA Rail service so necessary for the 500 to 600 daily passengers Toronto to Barrie.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

CUT IN BUDGET ALLOTTED TO CANADA MORTGAGE AND HOUSING CORPORATION—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I also wish to move a motion under Standing Order 43, regarding CMHC cutbacks which are aggravating Canada's housing crisis. The budget of Canada Mortgage and Housing Corporation has been cut from $1.8 billion to $400 million over the past five years, a period during which housing problems have escalated very seriously. Therefore I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That the CMHC allocation in this year's budget be restored to at least the 1976 level of $1.8 billion in order to stimulate much needed non-profit and rental housing and also to restore lost jobs in Canada's construction industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

REASONS FOR MINISTER'S ACTION IN AUTHORIZING CUTBACKS IN SERVICE

Hon. Don Mazankowski (Vegreville): My question, Madam Speaker, is directed to the Minister of Transport. In the House of Commons last Thursday the Minister of Transport informed members of the House that he had a first version of a VIA Rail Act. He also confirmed earlier in that day during Question Period that he was reviewing, and would amend, the

infamous costing order R63-13. Since the lack of a proper legislative mandate, and an outdated and unfair costing order are central to the difficulties which plague VIA Rail, and since the decision to cut back VIA Rail services by 20 per cent emanates from this inadequate structure, may I ask the minister why he is so insistent on forging ahead with the cutbacks before these matters are put in order, particularly, Madam Speaker, since the propriety of the minister's actions is clearly brought into question both inside and outside this chamber?

Hon. Jean-Luc Pepin (Minister of Transport): I believe, and the government believes, for budgetary reasons and reasons of transportation policy, that the reduction of routes is essential. The discussion of the quality of costing order R63-13, and a discussion on the possibility and desirability of a bill on VIA are two other objectives which are not really related to the operation which now needs to be done, and which will give VIA the possibility of doing a good job. This necessitates the elimination of some routes. The way some members were talking you would have thought it was the reverse situation, that 80 per cent of the routes had been eliminated, as opposed to 20 per cent being eliminated and 80 per cent maintained.

There are a number of exaggerations around us this afternoon. It is regrettable and unfortunate. On the radio the other morning I heard, "Choo Choo, Choo, there won't be a train from Vancouver any more." This is not true at all. As a matter of fact, one of the transcontinentals is maintained.

NON-REFERRAL TO CANADIAN TRANSPORT COMMISSION

Hon. Don Mazankowski (Vegreville): Obviously the minister believes his actions are correct, but at the same time he chooses to ignore the CTC, and chooses to ignore the Parliament of Canada, and chooses to ignore the needs of Canadians. Why does the minister refuse to allow Parliament and the people of Canada to share in the formulation of a clear rail passenger policy before he arbitrarily orders the passenger service out of existence?

Is it true, Madam Speaker, that we may expect further cuts if this decision is allowed to go unchallenged? Is it true Canadians will experience further cutbacks next year? Is it true that the eastern and western arm of VIA Rail will probably be wiped out? Is it true that existing rolling stock is now being scrapped? Is it true that the LRC scheduled to go into service this week will not be going into service? Why does the minister refuse to debate this very important public policy item in Parliament so that parliamentarians and the people of Canada will have an opportunity of sharing in making the kind of policy that will meet the needs of the 1980s and on to the year 2000?

Hon. Jean-Luc Pepin (Minister of Transport): My hon. friend who, I always thought, would have been a progressive and a dynamic Minister of Transport—

Some hon. Members: He was.

Mr. Pepin: —has been repeatedly trying to delay, first by saying it should be sent to the CTC, and then by saying it should be sent to a parliamentary committee, which I accepted at one point. He said it should be delayed until we have a VIA bill; it should be delayed until we have the extraordinary costing formula that would solve all problems for all time. This is an accumulation of delays which would lead to a situation where at one point, in the end, there might not be something to help. This is what we are trying to do. We are trying to help VIA. The management of VIA are fully in agreement with what we are doing.

● (1420)

Mr. Mazankowski: No, they are not.

Mr. Pepin: Of course they are. They wrote to my predecessor on the same subject. They gave my predecessor exactly the same recommendation as they gave me. That recommendation has been incorporated in the decision which we made on July 27. The hon. member knows that.

Mr. Mazankowski: I do not accept that.

Mr. Pepin: He could not make up his mind on the subject. That is something else.

Some hon. Members: Hear, hear!

Mr. Lawrence: How do you know what the recommendations to him were?

Mr. Pepin: Well I can read the files, can I not?

Madam Speaker: Order, please. We will not get through several questions if we do not allow the minister to answer.

Mr. Pepin: On the delay in the coming into activity of the LRCs—light, rapid and comfortable trains—my answer is very simple. The management have repeatedly expressed their satisfaction with these trains, but there have been the usual technical difficulties in matters of this kind. This is why they were located close to the manufacturer, so they could be sent back rather rapidly.

Some hon. Members: Oh, oh!

Mr. Pepin: They have had problems. It will mean a delay of about four weeks altogether. It is expected that some of the ten trains will go back into activity before the end of the four weeks.

REASONS FOR NON-REFERRAL TO COMMISSION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the same minister. I do not know whether the minister has been asked this question in the House, but in terms of delay when was the decision made which was announced on July 27? How many days or weeks before the House adjourned? What was the reason for the delay in the minister's announcement?

Returning partly to the question of the hon. member for Vegreville, if the minister is so sure of his facts, what is wrong with having this matter referred to the CTC, the body which was structured under the National Transportation Act to hear these matters, so that one of the budgetary reasons which is being used by the minister now will not be again used under the costing formulae that no one understands? VIA Rail does not know what it is paying for its rental of the rails.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have explained repeatedly why it was not being sent to the CTC. First of all one has to go to the law. Section 64(1) of the National Transportation Act indicates specifically that the government can act by order in council in these matters. That is legal. The reason for the law is simply that there will be occasions in the life of a railway system when what needs to be done is not a study of each route particularly, but a total rationalization exercise. This is why the law anticipated that particular necessity. This is why the law indicates that it can be done.

What would have happened is very simple. Mr. Lang tried it and failed because of circumstances which my hon. friend may have in mind. I would have had to go to the CTC and give a directive. I would have had to tell the CTC that there were limitations on the amounts of money that could be spent. Half a million bucks was about the level.

Mr. Ouellet: Half a billion.

Mr. Pepin: Half a billion, of course.

Mr. Epp: Of course! What's half a billion!

Mr. Pepin: I would have had to suggest to the CTC that it might consider maintaining one of the two transcontinental services. I would have had to tell the CTC that it would have to take into consideration the situation of isolated towns, cities and communities. I would have had to tell the CTC something it indicated on its own, that commuter services were a provincial responsibility. I would have had to say all that.

Mr. McKnight: Why didn't you?

Mr. Pepin: The same people who accuse me of being arbitrary now, would have said that I was twisting the arm of the CTC. This is why we have done it the way we have. We have done it directly.

Mr. Baker (Nepean-Carleton): Tear the arm right off the CTC.

Mr. Pepin: In so doing, we have saved three or four years of time. We have saved the necessary money to give to VIA to buy itself proper equipment at this time.

RAILWAYS' CONTRIBUTION TO GROWTH OF COUNTRY

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I understand the minister has some history with railways. His father worked in the railways. I must say that I do not think the minister is following in the same track as his father who had some identity with railways.

● (1425)

Does the minister not believe that at this particular time, when there is stress and strain in this country that the railways helped to bring together from coast to coast, when we are talking about the Charter of Rights and discussions and forums, it would have been a very positive thing if he could have laid down some abbreviated terms of reference for the CTC? If he had done that, this thing could have been discussed, argued and debated within an abbreviated time period, and the taxpayers, the mayors, and all those people who came here today, and officials from coast to coast, would know the one completely idiotic situation, that VIA Rail under the costing formula is the only railway that I know of in the world that cannot get an explanation of the bill that it is paying to CN and CP for the rental of its rails. That much at least could have been cleared up and, Madam Speaker, if it is not cleared up then the same type of costing formula will do just what the hon. member for Vegreville says it will do, and if that is so, then we might as well eliminate every passenger service.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is the problem I have had. My hon. friends on the other side, and some of them on all sides forget, when they think about it—

An hon. Member: Some on your side, too.

Mr. Pepin: Yes, indeed. They forget that in your lifetime and in mine we have seen three revolutions; the revolution of the automobile, of the bus, and of the plane. We are now seeing the revolution of electronics. There is no way that railways could come through these four revolutions untouched.

What we are doing now is adjusting railway passengers transportation to contemporary times. That has to be done. It is being done in every part of the world now. I know it is painful, because we are all romantic about railways. I was born with railway smoke in my nose. We are all romantic about it, but when you tell people that half a billion dollars is going toward subsidizing rail passengers now, they do not know it. I thank the opposition very much for giving me the opportunity of reminding them of that. When they are told that, people say they agree with us that there must be limitations to the amount of money which can be dedicated to this particular mode of transportation.

REQUEST FOR DELAY IN IMPLEMENTING ORDER IN COUNCIL AUTHORIZING CUTBACKS

Mr. Les Benjamin (Regina West): Madam Speaker, there is no one on this side of the House and no Canadian outside the House who is being romantic about keeping passenger trains. All of us are sick and tired of the minister's philosophizing, when he does not know a damn thing about transportation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Benjamin: Four economists in the employ of the government, of the Prime Minister and of the Minister of Transport, have said that this decision is, and I quote them, "—as uninformed and inconsistent an exercise in transportation planning as could be imagined." In light of the fact that the CTC and the government's own economists have said that VIA Rail is unjustifiably paying 60 per cent of its operating costs to Canadian Pacific and Canadian National, compared to the 25 per cent paid by Amtrak in United States, and since the order in council is based on out-of-date and misleading information, would the minister at least agree to delay the implementation of the order in council until either the CTC or the parliamentary committee on transportation have held a full public hearing on the matter?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have said before that we will not delay implementation so I am not going to repeat it. The only thing that could convince us to delay would be a court action, which I understand is being taken today, or was taken last Friday. Of course if that comes about and if there is an injunction to prevent implementation of the order in council, we will obey the law.

All through these days I have heard from the hon. member for Regina West and from Transport 2000 that they are not opposed to some reduction of services. The hon. member said the other day in debate in the House:

> We are not trying to justify the retention of all 21 routes, but I submit that at least half of them are viable.

● (1430)

The member is quite in agreement with the principle that one has to rationalize railways, and the debate between himself and ourselves relates to how many routes should be terminated and how many routes should be reduced. That is a debate which is quite normal, but the principle is accepted by everyone. It is a matter of disagreement as to the number of cutbacks which should take place.

Some hon. Members: Hear, hear!

Mr. Benjamin: Madam Speaker, I know the minister wants to be fair. If one looks at my opening paragraph or two, I said that we wanted the government to rescind the order, but we agreed with the motion of the official opposition that, to be reasonable, we should at least ask for a delay, and the minister knows that.

OPERATION OF BUS ROUTES PURSUANT TO CANADIAN TRANSPORT COMMISSION ORDER

Mr. Les Benjamin (Regina West): I have a second question for the minister. In the wild rush of the minister, of the President of the Treasury Board and the cabinet, thinking they were going to save $100 million by the order in council, is it correct that in the order in council ordering the cancellation of these routes, the government forgot about all the bus routes that the Canadian Transport Commission ordered VIA Rail to run, such as the routes from Fredericton to Moncton and from Prince Albert to Saskatoon? The order in council takes effect November 15. Will these buses still keep running to connect with trains that the government has already cancelled? I would like to ask the minister if he would explain that to us, and would he go back to the drawing board and check his homework?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will obviously do that.

Some hon. Members: Oh, oh!

Mr. Pepin: The order in council varies a number of decisions the CTC has previously taken. I do not know where buses come into that, but obviously that was not the main objective.

REVENUE FIGURES FOR TORONTO-PETERBOROUGH—HAVELOCK SERVICE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Minister of Transport as well. I think the minister is now aware that the revenue figures presented to him to justify the cancellation of the Toronto-Peterborough-Havelock passenger service in southern Ontario are in error by over 25 per cent.

Miss MacDonald: Wow!

Mr. Lawrence: There is at least a $100,000 understatement of revenues. Would the minister have made the decision to cancel that particular intercity service if he had had the correct figures at the time the decision was made?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, because the problem is not what my hon. friend indicates. The problem is that in the Toronto area there are three intercity lines to Barrie, Stouffville and Havelock. These so-called intercity trains are really mainly used as commuter services. If one takes the Havelock route, one will find that most of the passengers get on the train at Agincourt, mispronounced "Agincour". They get on there, and from then on the line becomes essentially a commuter line.

Historically and legally the Canadian government does not have to pay subsidies on commuters. Because of that we have said to the provinces, "Look. These are essentially your responsibilities. You have to work out a metropolitan system: bus, underground, train, and so on. This is your responsibility." This was recommended to the government of Ontario by the Scrivener report. The deputy minister of transportation was sitting on that committee.

Mr. Lawrence: Not the Havelock line.

Mr. Pepin: This is accepted. This is common knowledge. This is conventional widsom.

Some hon. Members: Oh, oh!

Mr. Pepin: The only difficulty is that Mr. Snow, if he is to operate these lines as commuter services, would like the Government of Canada to give them the same advantage that it has with respect to costing order 63-13. We are studying this now. I am most sympathetic to his views on that subject. It is a bit complicated, but I will be in touch with him. In the meantime I suggest that my hon. friend should not worry too much. If everthing goes according to plan, these lines will be operated as commuter lines in the future.

Some hon. Members: Hear, hear!

Mr. Lawrence: Not the Havelock line.

CANCELLATION'S EFFECTS ON TOURIST RESORTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I am sure that hon. members of this House are astonished to watch the minister attempt to evade his constitutional responsibility to operate passenger trains in this country.

Some hon. Members: Hear, hear!

Mr. Siddon: The minister knows, for example, this his decision to cancel the western Super Continental is based on a totally false economy. It will cost tourist operators in western Canada upwards of $100 million in lost business because of his decision, and $40 million in lost business from Japan alone.

Will the minister tell this House what level of financial compensation he proposes to offer to communities like Jasper, Alberta, and to businesses? Thousands of hospitality businesses and individuals will be faced with bankruptcy, unemployment, and personal financial hardship because of his illogical decision.

While he is at it, will he tell us why his officials, at this very moment, are planning to cut The Canadian train next summer from 20 cars to 13, to restrict the availability of sleeping car accommodation on that train, and to carve up and dismantle very, very fine passenger rail cars in order to advance his policy of eliminating passenger trains and getting everyone into airplanes and buses?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if my hon. friend wants to go into further depth on this subject he will find that in western Canada and in Ontario, in particular, the Transcontinental is essentially used as an intercity service, in normal times. Occasionally a group of people—and there are some in the audience today—will decide to take the full transcontinental route, a once-in-a-lifetime trip; but basically it is operated as an intercity service.

So what did we do on July 27? For social, political, psychological and historical reasons, we maintained one of the transcontinental routes.

My hon. friend refers to the elimination of the Transcontinental. That is not true. We are maintaining one of the transcontinental routes in the west, the Canadian, while the northern transcontinental, in western Canada and Ontario, will be operated as an intercity system, in part; that is, Winnipeg to Regina to Saskatoon, Saskatoon to Edmonton, and Edmonton to Prince Rupert. The train remains there, in part, and it is operated as an intercity train. This is all in line with the basic philosophy we are upholding, which is that the future of railways is in intercity transportation of passengers over distances of 500 miles or less.

Some hon. Members: Hear, hear!

CROSS-COUNTRY RAILWAY SERVICE CUTS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the same minister. The task force on rail passenger service of this party heard more than 320 groups and individuals in 13 cities across the country. Many of them characterized what the government is doing as being a serious abuse of power. I remind the minister that the section in the National Transportation Act to which he is referring has never before been used by a government in this way. He is now facing, I believe, two law suits on whether or not the government can abuse the National Transportation Act in this way.

[*Translation*]

More specifically, all members of the House are aware that a minister's decision to cut back—

Madam Speaker: Order, please. The member must ask his question. I understand that he wishes to repeat it in French for French-speaking viewers but he can only ask one question which must be as brief as possible.

Mr. Kilgour: Madam Speaker, could the minister tell the House whether his decision will become effective on November 15 of this year and, if so, why he has refused to hold public hearings on these cutbacks, although he knew very well that according to the results of the Gallup poll his unilateral, arbitrary and senseless decision would affect hundreds of thousands of Canadians, and that 51 per cent—and this includes the citizens of Edmundston, Fredericton, Moncton, Sherbrooke, Montreal and the Abitibi and Lake Saint John areas—of Canadians are against those cutbacks.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already explained in English that the government's main reason for making the cutbacks without going through the Canadian Transport Commission, which would be the usual channel in such cases, is quite simply that the government is authorized to do so by law, and because this exercise was aimed at rationalizing the entire network and not one particular route, an area in which the Canadian Transport Commission is specialized. I also explained that if we had gone through the CTC, we would not have been able to save the several hundred million dollars we shall now be able to give to VIA Rail for the purchase of new equipment.

Regarding Section 64(1) of the Transportation Act, my hon. friend may be interested to know that other ministers, including my predecessor and his predecessor before him, also used this legislation, in connection, for instance, with the charter system in Canada.

● (1440)

[*English*]

CUTS IN SERVICE IN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, it is very little consolation to the hundreds and thousands, in fact millions of Canadians, who have been inconvenienced by this government, to hear remarks about rationality and philosophy, when they are so seriously deprived. In light of the government's historical social responsibility and social conscience—one wonders what has become of it—will the minister explain with rationality and philosophy how he plans to put two train loads, which on many occasions are already overloaded, into one, as they pass through New Brunswick?

Second, what accommodation does the minister plan to extend to the travelling population of Canada for emergencies or holiday excursions if he now proceeds to destroy the equipment which at least gives some kind of service? Has the minister had any representation from government members in Atlantic Canada saying, for example, "Please don't cut the heart out of New Brunswick"?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is no doubt that some people will be deprived. I regret that. But a great number of people in Canada—

An hon. Member: Where?

Mr. McCain: To him that hath shall be given.

Mr. Pepin: —will also be pleased to know that the government is spending their money well. This will make many people happy.

With respect to emergencies, isolated towns and what-not, we have been very careful not to restrain or cut services to isolated areas. I could name all of them where service will continue. There will be others that might be affected at different points on routes that are to be reduced. There is no doubt about that, but adjustments will be found.

Miss MacDonald: You hope.

Mr. Pepin: Buses will go where train service was traditional. The problem is that if we stop everything there will be further delay, and people will not get these adjustments that no doubt will come about.

Mr. McCain: They weren't isolated until you came along.

DELAY IN INTRODUCTION OF LRCs

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Transport. In the minister's answers to the hon. member for Vegreville, he dwelt for a moment on the problem of the LRCs. I suggest to the minister that we are not getting the whole story on the LRCs. In fact the LRCs are now months behind schedule, and the schedule is being further delayed. In turn, those delays are changing schedules of regular trains. Would the minister come clean on the issue? Will he tell us exactly when we will see the LRCs in service, particularly since the changes made in Belleville were made to accommodate the changes of rail crews and those changes have now been tossed aside because the turbo has had to be put back in service, and so on. I suggest to the minister that the problem is far more serious than he is letting us know about.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I don't know if there is anything else to say; I have said everything that I know.

An hon. Member: You don't know anything.

Mr. Baker (Nepean-Carleton): That is your problem.

Some hon. Members: Oh, oh!

Mr. Pepin: I did my best to find out. The situation, as I indicated, is one of technical problems. The withdrawal is for a period of four weeks. I also mentioned previously that a number of the LRCs will be back in operation before that span of time has elapsed. That is all there is to say on the subject.

* * *

BANK ACT

REQUEST FOR RESTORATION OF PRE-1969 PROVISION RESPECTING HOME MORTGAGE FUNDS

Mr. Edward Broadbent (Oshawa): Madam Speaker, yesterday in London a group of some 1,000 angry home owners let the minister responsible for housing know how profoundly unhappy they were over the government's ruinous mortgage policy. In particular, they asked the minister whether the government would restore to the Bank Act the principle that the banks be obligated to make mortgage money available at rates which the average family can afford. The minister said yesterday that in effect he was not authorized to answer the question.

Since the Liberal government removed that principle from the Bank Act in 1969, will the Prime Minister now give a commitment to the people of Canada that the government will restore it, namely, that mortgage money must be made available by banks at levels the ordinary family can afford?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am afraid the Leader of the New Democratic Party misrepresented the response I made yesterday to that question.

I said that I would discuss the representation made by people and by the hon. member for Oshawa with the Minister of Finance. I have asked for an opportunity to do so.

INTRODUCTION OF AMENDING LEGISLATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister well knows that I did not distort what he said. I respected the point that he made, that it was a cabinet decision to be made in the future. I repeat and acknowledge that. What I am doing is asking a question of the person who is most responsible in the country for political decision-making, namely, the Prime Minister.

The banks can certainly earn profits from many investments at whatever the market will bear, but when it comes to mortgages on homes, they ought to be segregated from other financial investments. Will the Prime Minister assure us and tell the people of Canada now that we will get legislation to restore the principle to which I referred a moment ago, to the Bank Act?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know of the details of the discussion held in London. If I had been there I would have answered exactly as the minister did, that he would take that as a representation and discuss it with the Minister of Finance.

Mr. Crosbie: You are just as useless as he is.

Mr. Trudeau: That is the proper answer and one, of course, which should be followed.

The hon. member refers to the 1969 legislation. Naturally I cannot remember all aspects of it or the details of its motivation. My recollection is that this amendment was made at the time because other institutions were being facilitated in the role of providing mortgages, and that the number of mortgage lenders increased as a result of that legislation. The responsibility for mortgages was shared among a greater number of institutions than had been the case hitherto. That, I repeat, goes back a dozen years. It may be that the Minister of Finance will want to reconsider the operation of that, I do not know, but I think the minister took the proper course in answering that he would discuss the matter with the Minister of Finance.

MORTGAGE SCHEME ADVERTISED BY BANKS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I just want to remind the Prime Minister that in 1969, when the act was changed, not only was the ceiling removed from mortgage interest but the rollover principle for mortgages was introduced. The Liberal minister at that time when mortgage rates were 9 per cent said mortgages would go down. We have never seen 9 per cent mortgages since. As for the rollover principle, the only rolling over that has been done is that of the banks rolling over Canadian home owners. That has been the result of the 1969 change.

Mr. Evans: You don't know what you are talking about, Ed.

Mr. Broadbent: I would like to ask the Prime Minister another question concerning the banks, since the Minister of Finance said the other day in the House in reference to the Royal Bank's new mortgage deferral scheme that it was "a step in the right direction." This is its mortgage deferral scheme, and the banks now have ads in the paper, using tax-free dollars. Since under this mortgage deferral scheme a family can pay up to $6,000 a year on its mortgage and end up owing the bank more at the end of the year than when it started, if this is what the government means by the banks bleeding a little? If not, will the government denounce the scheme right now?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know the details of the scheme referred to by the hon. member. I am sure the Minister of Finance will examine it, and if he does not agree with it he will bring in some other scheme. If he does agree with it, he will seek to improve it. I cannot speak on a technical subject like that of which I know no knowledge.

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NORTH-SOUTH RELATIONS

FUTURE OF NEGOTIATIONS FOLLOWING CANCUN SUMMIT MEETING

Mr. Jack Burghardt (London West): Madam Speaker, my question is for the Prime Minister and concerns the North-South Summit held last week in Cancun, Mexico. Keeping in mind the results of the discussions at the 22-nation meeting, would the Prime Minister inform us where he believes these global negotiations must go from here?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there was no decision made by the participants at the Cancun summit to have any further summits with the same people.

I refer the hon. member particularly to the decision on global negotiations which would be pursued in the United Nations forum. It would be expected that the many participants at Cancun would go there with greater knowledge of the position of the respective participants, and hopefully with a greater ability to make forward movement.

In regard to the various other subjects such as food and agriculture, financial institutions, energy and trade, I believe they will be translated into greater understanding in the various forums, for instance, the IMF, for the monetary institutions. And in the case of energy, the debate will continue on the question of helping the less developed nations look for and develop renewable sources of energy as well as non-renewable sources. Each subject had a conclusion in itself. It is up to the members now to pursue those conclusions at the United Nations or in their bilateral policies.

Some hon. Members: Hear, hear!

Oral Questions

VIA RAIL

SERVICE PROVIDED TO BARRIE, ONT.

Mr. Ron Stewart (Simcoe South): Madam Speaker, I would like to ask the Minister of Transport if he is aware of the Georgian task force report which has predicted that the population of the city of Barrie will reach approximately 125,000 by the year 2011. Believe me, they are not all commuters. However, the VIA Rail train now carries some 500 to 600 passengers and is totally economically viable. This is even with antiquated, what may be called World War II rolling stock. Will the Minister of Transport meet further with the hon. James Snow, with whom I have been in contact, in the hope not of reducing that line but expanding that service? It is economically viable. Do not use the cop-out of commuters.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if the line is economically viable as was just said, I do not see why Mr. Snow should refuse to take it over.

Some hon. Members: Oh, oh!

Mr. Pepin: That is the obvious common sense answer to the question. The Government of Canada does not subsidize commuter services. This has been tradition and law. Inasmuch as Toronto and Montreal have grown, a number of routes which were intercity in the past have now become commuter lines. Logically, we are saying this is the responsibility of the provincial and metropolitan governments. This is exactly what the Scrivener report, the most recent report on transportation by rail in Canada, says.

FUTURE OF RAIL SERVICE TO WESTERN COMMUNITIES

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is for the Minister of Transport. I draw his attention to the fact that this is the first time since 1979 that a minister has used the discretionary power to remove service and remove lines from the system. His predecessor used that discretion to instal lines and guarantee service.

Some hon. Members: Hear, hear!

Mr. McKnight: Would the minister tell us how the people from Rivers, Manitoba, all the way through to the Saskatchewan border, the people of Melville, Watrous, Yorkton, people in Saskatoon, the people of Biggar and Unity, all the way through to Edmonton and onwards, will get to Vancouver? The minister has left out two thirds of the western part of Canada in the service that he has brought forth, and I would like to know what the minister is going to do? If the minister gets away with this, will he use this section to abandon branch lines without hearings, abandon the statutory rate, the Crow rate in western Canada? If the minister does it now, why will he not do it the next time?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): I do not want to debate, but my hon. friend is confusing the National Transportation Act and the Railway Act. However, as I have said, there are a number of communities, particularly between Winnipeg and Saskatoon—

An hon. Member: And Vancouver.

Mr. Pepin: —which used to be served by the Transcontinental, which will be affected.

An hon. Member: What about Vancouver and Edmonton?

Mr. Pepin: I have looked into each particular case and have found that in most instances, if not all, there were buses taking people from their area to the nearest station.

EFFECT OF CUTBACKS ON EMPLOYMENT IN MANITOBA

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my question is for the Minister of Employment and Immigration. The minister will know that in his province of Manitoba 50 per cent of the points served by VIA Rail are going to be eliminated as of November 15. I would ask the minister, first, if he is prepared to intercede with the Minister of Transport to delay this abandonment, because he knows there are approximately 1,600 jobs affected directly and the possibility of 8,000 jobs affected indirectly. Second, since he is a minister from Manitoba, will he intercede to ensure that half the communities now served in his province will continue to be served after November 15?

Miss MacDonald: Speak up for the west.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows from listening to the comments of the Minister of Transport, there are a number of major programs in place that will help in the adjustment and transition of workers—

Some hon. Members: Oh, oh!

Mr. Axworthy: Those programs have been worked out with the co-operation of VIA Rail, the unions, and the railways. I think those programs will effectively take care of any displaced persons as a result of the change that is being made to improve the railway system across Canada.

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CANADIAN NATIONAL RAILWAYS

GRANTS OF LAND HOLDINGS AND TIMBER RIGHTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Transport. In 1910 the Canadian Northern Railway and the government of British Columbia entered into an agreement whereby, if the railroad would provide daily first class passenger rail service between Jasper and Victoria, it would receive in return vast land

holdings and timber rights. The CNR subsequently took over that responsibility and those benefits and now, through the recent VIA Rail decision, has terminated the promise to the people of British Columbia to provide that daily passenger service. Will the minister therefore give consideration to returning these vast land holdings and extensive timber rights to the people of British Columbia?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if the railways had made arrangements with the provinces at one time in the past—

An hon. Member: By statute.

Mr. Pepin: —I would suggest it would be the right of the provinces to invoke these agreements, not the federal government.

If there are situations of this kind, as there are, it would obviously be the provinces' responsibility to defend their position. That is why, in the announcement we made on July 27, we left it open for the provinces to pay the subsidy if they thought that the particular route affected was essential from the provincial point of view. That point of view could be a legal obligation which they had assumed in the past.

Mr. Riis: Madam Speaker, the agreements and the statutes of British Columbia are very clear on this point. Perhaps this could be an issue raised in some of the subsequent court discussions.

* * *

VIA RAIL

CANCELLATION OF ATLANTIC LIMITED TRAIN

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I was informed by the people of New Brunswick, after a recent visit there, that the Atlantic Limited last year had a ridership support of over 80 per cent, which represents more than a quarter of a million people using the Halifax to Montreal run.

An hon. Member: Where is the member for Saint John?

Mr. Riis: The people whom I visited in New Brunswick asked me why the government was terminating that service. They asked their Member of Parliament, and he could not explain. Could the Minister of Transport explain?

Hon. Jean-Luc Pepin (Minister of Transport): The 80 per cent figure is not realistic. It is more like 48 per cent. Again, that depends on the way it is calculated. If one counts the number of people at the point of arrival, of course one will get a different result.

Some hon. Members: Oh, oh!

An hon. Member: What about going in?

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

Madam Speaker: The hon. member for Winnipeg-Assiniboine.

EFFECT OF CUTBACKS ON WESTERN ECONOMY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Employment and Immigration. As chairman of the Western Development Committee, and as one who is supposed to be stimulating economic growth in the west, he will know that the unilateral cutbacks in the VIA Rail routes will have a devastating effect on the western economy in general and cause the Canadian tourist industry losses in the millions. Also, there will be layoffs in the rail and tourism industry.

• (1500)

I would like to ask the minister what he has done or will do about having the cabinet rescind or postpone the VIA Rail cuts in western Canada, or does he support the rail cutbacks?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, time does not permit me to answer the hon. member in terms of the number of initiatives taken by this government to stimulate economic development in western Canada. The hon. member might be aware that a major Air Canada facility has been moved to our province, which will be of substantial help to the hon. member's constituency. We are trying to promote industries in western Canada which are modern, up to date, and high technology industries, and not to support obsolescence.

EFFECT OF CUTBACKS ON NEW BRUNSWICK COMMUNITIES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Transport. The minister made a statement in the House a short time ago that he will be careful not to cut service to isolated towns. I would like the minister to know that I am speaking on behalf of those people who live along the Edmundston to Moncton line and peole who live in the communities of Plaster Rock, Juniper, Napadogan, Chipman, Minto, and areas such as that. There are no buses to that region.

For the benefit of all those people the minister maintains should be thankful that he is cutting out these services, will he explain why it was that he allowed CN last year to charge VIA $400,000 for the use of that line when the cost to CN was $263,000? That is a profit of 52 per cent to the megacorporation. Will the minister explain, for the benefit of those "ungrateful" people up in Napadogan, why he allowed that?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not in a position to debate the figures used by my hon. friend, but on the Edmundston to Moncton route indeed there are a number of developments which, hopefully, will take place.

Miss MacDonald: "Hopefully".

Mr. Pepin: I hope they will take place. I believe they will take place, and they will have to do with the strengthening of the bus service between the two cities and different points on the line. We hope also to improve air service to Edmundston.

* * *

PETITION

MR. NYSTROM—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the ninety-second report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Yorkton-Melville (Mr. Nystrom) and finds that it meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. WENMAN—HOUSING—ALLEGED REFUSAL OF MINISTER'S OFFICE TO ACCEPT TELEPHONE CALLS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise on a question of privilege. The minister responsible for housing has indicated that he would respond to my constituents directly through telephone calls. I have constituents who have telephoned and their calls have been refused in the minister's office.

The minister also suggested in this House of Commons that if Members of Parliament were to contact him directly, again he would respond.

Madam Speaker: Order. The hon. member has a responsibility to make quite clear in his first sentences where the breach of his privilege lies, and he has not indicated to me that he has a question of privilege. The fact that someone is not answering the telephone or that a minister is not complying with a promise he has made to certain constituents certainly does not constitute a question of privilege.

Mr. Wenman: Madam Speaker—

Madam Speaker: I have ruled; there is no question of privilege.

Mr. Wenman: He is misleading the House; that is what he is doing.

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

TABLING OF AN AGREEMENT BETWEEN CANADA AND GREECE RESPECTING PENSIONS

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, pursuant to the provisions of Standing Order 41(2), I wish to table, in both official languages, a copy of the Agreement on Social Security, specifically on old age pensions, between the Government of Canada and the government of Greece.

* * *

[*English*]

ENERGY

TABLING OF PRICING AND TAXATION AGREEMENT WITH SASKATCHEWAN

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 41(2) I wish to table, in both official languages, copies of an agreement between the Government of Canada and the government of Saskatchewan relating to energy pricing and taxation, as well as the joint statement by the Prime Minister of Canada (Mr. Trudeau) and the Premier of Saskatchewan.

Some hon. Members: Hear, hear!

* * *

PETITIONS

MR. CORBETT—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I have a petition which includes over 2,000 names of some residents of southern New Brunswick who are disgusted with the cutbacks, as proposed by the Minister of Transport (Mr. Pepin), of VIA Rail services from Saint John and from that region to Montreal. I would like to add these names to that list of 11,400 "ingrates" which I tabled last week who are disgusted with the same cutbacks in service.

MR. BURGHARDT—UREA FORMALDEHYDE FOAM INSULATION—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Jack Burghardt (London West): Madam Speaker, I would like to take this opportunity to present a petition, on behalf of those residents of London, Ontario who have urea formaldehyde foam insulation in their homes, respectfully requesting that the Government of Canada assist them in the removal of that insulation product.

Some hon. Members: Hear, hear!

MR. DARLING—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I beg leave to present a petition containing 250 names from the Sudbury area. These people are also voicing their disapproval of cutbacks in rail transportation. This petition was co-ordinated by Helena Osborne of Sudbury.

MR. JOE REID—EFFECTS OF HIGH MORTGAGE RATES

Mr. Joe Reid (St. Catharines): Madam Speaker, I too beg the permission of this House to place on the table a petition, containing the names of 1,071 home owners from the Niagara region, protesting the difficult and impossible task of maintaining a home in the light of present mortgage conditions. This petition points out that if people are to save their homes—and this continues as a nation of home owners—then some remedial action should be taken—and it should be indicated that it will be taken—in the budget which is to be presented soon respecting high mortgage rates.

Madam Speaker: Motions. The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). The hon. member for Etobicoke-Lakeshore (Mr. Robinson).

Some hon. Members: Stand.

Mr. Nielsen: Madam Speaker, I rise on a point of order. Are you calling them seriatim?

Madam Speaker: Yes. The hon. member for Vancouver Quadra (Mr. Clarke).

Some hon. Members: Stand.

Madam Speaker: For the information of the hon. member for Yukon, I am not really calling them seriatim, but the hon. member for Wellington-Dufferin-Simcoe has on two occasions given notices of motions, so I call his name twice because he is at the top of the list and also at the bottom of the list. The hon. member for Vancouver Quadra has four motions, but I am only calling his name once.

I call again now the hon. member for Wellington-Dufferin-Simcoe.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN REVISED SEVENTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved:

That the revised seventh report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Wednesday, June 17, 1981, be concurred in.

He said: Madam Speaker, you will remember, because you were in chair on Thursday, that my colleague, the hon. member for Yukon (Mr. Nielsen) and I put questions relating

to House business to the government House leader. At that time we sought the assurance of the government House leader that if I were to follow the instructions of my committee, the Standing Joint Committee on Regulations and Other Statutory Instruments, and ask for concurrence of the House in our revised seventh report today, there would be a full and proper debate on that committee report, that we would have a chance to have a full discussion and that no action would be taken by the government to prevent that discussion from taking place.

You will recall, Madam Speaker, that earlier this summer when I moved concurrence in July in the fourth report of the standing committee, the government took the extraordinary measure of intervening to cut that debate short and to prevent a vote from taking place on the concurrence motion.

This procedure of cutting short debate and preventing committees of this Parliament from reporting to the House of Commons and from having concurrence motions put and fully debated is an extraordinary measure and one which constitutes an attack upon the very basis of accountability in our system of government.

Any structure that any of us has seen which tries to lay out a blueprint for accountability in our government has as its core the Parliament of Canada, and any attempt made to disrupt the relationship between the committees of Parliament and the House of Commons itself is indeed an attack upon the proper functioning of this House of Commons.

● (1510)

I want to quote from a book which was published not that long ago by a former member of Parliament, John B. Stewart, who, after his defeat in the House of Commons, served as an adviser to the government on the question of parliamentary reform. He dealt with the procedure followed by the government in that instance, a procedure which is now being threatened by the government House leader. This is what he had to say about a procedure whereby at the end of the day, after a discussion had taken place, automatically a motion to concur would revert to government orders. I quote:

Since 1965 once a debate begun under Motions has been adjourned, the order for resumption of the debate is a government order. This means that the government House leader has the right to decide if and when the debate will be resumed. Clearly, this is an odious power. It gives the government the right to sidetrack a committee's report permanently.

Again, this was written by a former Liberal member of Parliament who served as an adviser to the present government. It was in his book entitled "The House of Commons: Procedure and Reform". If on a motion to concur it is odious that that motion should be transferred to government orders where the right and responsibility is then that of the government to decide whether it ever comes forward for debate again, how much more odious it is that the government would use its majority to intervene to prevent a debate taking place whereby, after the first speaker has spoken, moving that a report be concurred in, the government would intervene, use its majority and prevent other members of the committee from speaking, even its own members on the committee. This is what was done with the committee's fourth report in July. This

is what was threatened just last Thursday by the government House leader. It is a process which is indeed odious. It is an attack upon the very essence of ministerial accountability and responsible government of this country.

The government may say that Parliament has more important business or that somehow it is not proper that Members of Parliament should ask that consideration be given to committee reports made to Parliament. This is the business of Parliament. There is nothing more fundamental. The business of Parliament is that individual members, particularly representatives of parliamentary committees, ensure that studies conducted on behalf of Parliament are brought to the attention of Parliament and that Parliament have the opportunity to debate them. Indeed, to deny this, to attempt to block that sort of progress from taking place, is to destroy the vital link that is so essential in our representative institutions in Canada today.

The government may say that the process has been abused in some way in the past. That is not so. It is interesting to note that in the past 12 years since 1969 when the government brought in its rules reforms which changed the whole functioning of Parliament, 160 concurrence motions have been moved of which 147 were carried. Of those, 133 were carried without debate and 115 of those were purely routine. Twelve were carried after debate. One of these was effectively a government motion. Six were debated part of the day and not carried. Five were debated a full day and not carried. An additional two were interrupted by government motion to end the debate. One of those two actions to interrupt the concurrence motion, and there were only two in the past 12 years, came in July when the government interceded to prevent discussion of that major report, the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments.

Of all those moved by backbenchers which took government House time, and there were 24, 15 were moved by opposition members. Since 1974, 14 motions required some debate and eight of those were from the Standing Joint Committee on Regulations and Other Statutory Instruments. In the session of 1980-81 a government backbencher moved a motion which carried after a short debate and a motion from the committee was interrupted by a government motion.

If you look at this history and the way this procedure is being used, it is clear that what the government threatened to do last Thursday and may do today is a break with the traditions of the House of Commons. It represents an important new attack upon the ability of committees to function. It is something which members of this Parliament should not be asked to agree with.

If it is essential that any committee be able to report to the House of Commons and be able to have discussion of its report, how much more essential is it when Parliament charges the standing joint committee to serve as a watchdog, to look at government regulations to determine whether they are legal in the first place, to determine whether due process or natural justice has been interfered with, to determine whether or not the issue being dealt with in a regulation should more properly be brought back before Parliament? When you have a watchdog committee such as this, how much more important is it in this case and in normal cases that the debate should take place and the committee should have the opportunity to have its report considered by the whole House of Commons?

What the government is doing when the government House leader comes before Parliament and says that the only basis on which he will not interrupt the debate and allow the committee to do its job is at the convenience of the government—when the government sees fit, if it sees fit, in its own time—is that it is taking that watchdog committee and trying to turn it into a lapdog committee.

Some hon. Members: Hear, hear!

Mr. Beatty: He is asking that a watchdog committee check its teeth and put them in a glass by the bed. That is not acceptable in this day and age if we believe in parliamentary democracy and if we believe that we have a responsibility in this Parliament to supervise and scrutinize the activities of the government on behalf of Parliament.

In other jurisdictions there are procedures which provide in many instances that the government issue a white paper in responding to committee reports. In Australia it is mandatory that a white paper be issued within six months to respond to a committee report. A similar procedure is followed in Great Britain at the present time.

In some other jurisdictions there are provisions whereby, if individual members of Parliament have a concern about a regulation that is passed under delegated legislation, they have the ability to put down a motion of disallowance. For example, in the case of Australia, unless a debate is held, unless the House decides not to disallow a regulation within a certain period of time, the regulation will automatically be disallowed.

If we had that sort of procedure in the Canadian Parliament, perhaps it would be less important that we have some assurances that committee reports will be discussed. However, we do not have that. We recommended that in the report which was discussed in July. That has never been acted on by the government.

Let me quote from a book by Professor J. R. Mallory, "The Structure of Canadian Government", which deals with the essential nature of responsibilities of parliamentary committees and parliamentarians in keeping an eye on how the government acts with delegated legislation. I quote from page 140:

> Parliamentary criticism is of the greatest importance. The chief defect of delegated legislation is precisely that it is passed without public debate and without serious opportunity for subsequent parliamentary review. Furthermore, regulations, unlike acts of Parliament, are not always published or collected in acceptable form so that the citizen can know what the law is that governs him. There is an old maxim that ignorance of the law is no excuse as a defence for breaking it. As long as the law is readily accessible to any competent lawyer who knows his way around the law reports and the statute books, this is a wise rule. But when the law consists of a multiplicity of detailed regulations which are not always easy to find out about, the maxim becomes almost oppressive in its effect. Adequate parliamentary scrutiny and adequate publication of regulations have therefore become recognized as necessary accompaniments of the growth of delegated legislation in well-run communities.

That is a description by Professor Mallory, one of our most distinguished political scientists in this country, of the essential nature of activities that Parliament must undertake when scrutinizing actions by the government in delegated legislation. It is worth while looking back at the time in which the committee was created. At that time Tommy Douglas asked John Turner, the heir apparent, the "pretender to the throne" in Toronto, whether he felt it would be useful to have included in the statute a provision whereby reports of the committee could be acted upon and whether it would be compulsory. Mr. Turner responded by saying that he recognized it would be essential that the committee have the power to do its job, but the rules of the House of Commons already provided for that to be done and it was likely not necessary to have this written in the statute. Yet what we are finding today, Mr. Speaker, is that the promise made by Mr. Turner at the time the committee was established is being threatened with being broken because the government is threatening to intercede to prevent the committee from doing its job. That is why I call upon the government today, Mr. Speaker, to allow a full debate in this House on a matter that is of urgent concern to all Canadians.

● (1520)

I want to turn to the report itself, Mr. Speaker, which was tabled in the House of Commons on June 17, 1981. There were four points in the committee report which were considered essential and about which we felt it was important that we should make a report to the House of Commons and draw the attention of the House to the structure of VIA Rail and to some of the actions of the government.

First of all, in the setting up of VIA Rail we felt the government had acted in a way that did not provide for proper parliamentary discussion. We discovered VIA Rail was set up, using in part an Appropriation Act. Consequently, the House of Commons did not have a proper statute before it that would allow for a full and public debate on the part of Members of Parliament which would enable the government to put forward a comprehensive program for future railway passenger services in this country.

Obviously, that sort of provision would have been very valuable. Earlier this year when a question of privilege was raised by one of my colleagues, Madam Speaker found that the procedure of acting through an Appropriation Act in a way that was attempting to get legislative action was wrong. She struck down a number of attempts by the government to do that. Indeed, had Madam Speaker been in the chair at the time this was done in 1977, the likelihood was that the government could not have brought VIA Rail Canada forward in this way. The likelihood would have been the government would have had responsibility, the necessity, of coming back before Parliament and the Canadian people and fully debating its plans for the future.

Let me briefly read to you, Mr. Speaker, the actual objection raised by the committee on this particular point. It said:

> VIA Rail Canada Inc. has been established and set up in business—and in consequence almost all of the railway passenger services of the country have been brought into government ownership, control and funding—pursuant to an involved use of subordinate powers, a dollar vote in an Appropriation Act and the three slim regulations under report. At no time has Parliament had the opportunity to debate and to settle what are very significant matters.

I shall come back to this point shortly, Mr. Speaker, but let me now move on to the three substantive criticisms which the committee made in its report. The second criticism it made was this:

> The operative dollar vote, Vote 52d, *Department of Transport, Appropriation Act No. 1, 1977*, refers only to "selected rail passenger services", yet S.O.R./78-286, made under that vote, purports to apply not only to passenger services operated over railway lines but also to other passenger services, and not only those in substitution for rail services but also those ancillary to them.

What does this mean in plain English, Mr. Speaker? It means that when the government runs a bus service under VIA Rail or when it runs a limousine service, as it is doing in some parts of the country, and spends public funds to do so, it is acting in a way that has not been approved by Parliament. The expenditure of funds in that way may well be illegal.

Surely, Mr. Speaker, nothing could be more important to this House of Commons than the question whether Parliament is given authority to spend funds in a particular way, or whether it is spending the money that belongs to the people of Canada improperly. At the present time there are a number of bus routes in this country which are run by the government; for example, Lindsay-Peterborough-Cobourg; Jasper to Banff; Prince Albert to Saskatoon; Edmonton to Calgary. And there are numerous others. The committee does not quarrel with the authority of the government to have buses. What we do quarrel with, even under the Appropriation Act which was initially used as an excuse for setting up VIA Rail, is that we can find no justification for the expenditure of public funds on those lines. Surely the government must come back to Parliament and seek Parliament's approval.

The third complaint raised by the committee was this:

> An item critical to the funding of the services provided by VIA Rail Canada Inc., the "prescribed portion" of the employee costs of the railway companies (for severance benefits, early retirement benefits and the like) in implementing the changeover to VIA Rail control of passenger services, has never been prescribed by a regulation under Vote 52d, but is contained in an unpublished, and hence unscrutinized, statutory instrument.

The government admitted there was an order in council that provided this particular authority. Under the procedures adopted by this government, that is considered an unscrutinizable order in council by the government. It is not published in *The Canada Gazette* and it is not considered by the government to be properly brought forward before the standing joint committee. Consequently, this action has not been proper and on the strength of what the government says is not properly before the committee for scrutiny. Clearly this is a practice, Mr. Speaker, that the committee has complained about in the past and that must be revised.

The report, fourthly, says this:

> The prerequisites to or limitations on payment of the "prescribed portion" need not be set out in a regulation. Any terms or condition subject to which payment is to be made that are set by the governor in council by regulation must be obeyed, but if the minister sets any others, they may, without their being embodied in any regulation, be embodied in the arrangements entered into with the railway companies. Thus, the very terms of what was a vital part of the VIA

Rail program were left to the minister to determine in conjuction with the railway companies.

What does that mean, Mr. Speaker? It means that not only did we find the order in council was deficient because it was not published in *The Canada Gazette*, but further the order in council did not provide in many instances for these other actions. It is not included in the order in council. Consequently, Mr. Speaker, we felt it was important to bring this matter to the attention of Parliament.

Let me return to the question whether or not a VIA Rail Act is necessary. What need be done? One of the areas where there has been confusion is in government policy. All of the committee's report in appended to and printed in the *Votes and Proceedings* of Wednesday, June 17, 1981. It would be impossible for me to review all of the report in the short time I have available to me, but I want to recommend to all members of the House that they study the report and give consideration to the points raised therein. In particular, I also want to draw to the attention of the House Appendix "A", which includes a series of correspondence between the Minister of Transport and the committee.

This has been an issue that the committee has been dealing with for over two years, Mr. Speaker. The government says, "Be patient, don't call your motion for concurrence today, sooner or later we will get around to it." The committee perhaps has been too patient already. Over the course of two years we have been dealing with this particular issue, yet we have found letters have gone unanswered or we have had responses from the Minister of Transport which are confused and contradictory.

The first letter included in the appendix is June 26, 1980, when we wrote to the Minister of Transport to ask for an indication from him as to how the policy review which he referred to before about VIA Rail was proceeding. In particular it said:

The committee is anxious to know whether and when a bill for an act to provide for VIA Rail Inc. will be introduced.

That was on June 26. Almost two months later, on August 19, the Minister of Transport wrote back to the committee and said:

With respect to the possible introduction of a bill to provide for a VIA Rail Canada act, the cabinet submission which will seek decisions in respect of rail passenger services and of VIA Rail Canada Inc. is, in particular, now in the advanced stages of interdepartmental consultation.

This is over a year ago. He said further:

I anticipate that a cabinet decision on the issues raised in that submission will be available to use by the end of September.

September came and went, Mr. Speaker. On November 6, 1980, the committee wrote back again to the Minister of Transport and said:

We were instructed to ask whether the cabinet decision to which you referred has been taken and when you will respond to the committee's position on the need for the introduction of a VIA Rail Canada bill.

That was on November 6, Mr. Speaker. It took the minister until January 12 to respond to the committee's letter. His response at that time was:

"The cabinet has not yet considered the submission to which I referred in previous correspondence. I expect the matter to be discussed early in the new year. Once a decision has been reached, I will advise the committee on the requirements for a VIA Rail Canada bill.

● (1530)

We were then put off to the beginning of this year. On March 19, well after the beginning of the year had come and gone, Mr. Speaker, we wrote again to the Minister of Transport. We said this:

The committee wishes to have some definite time frame within which it can work and we are instructed to ask once again for some definite if not precise date by which a decision whether or not to proceed with a VIA Rail Canada bill will be taken. Mindful of the fact its position in this matter has been in suspense as it were since just before the March 1979 dissolution the committee has adopted a time limit of May 6, 1981 on the decision to place a special report before both Houses.

We wrote to the minister on March 19. We said that we wanted a response so that we could make a report to both Houses by May 6, which was a month and a half later. The letter from the minister was dated May 7, 1981, the day after the date we indicated in the letter to the minister that we wanted to report to the House. What was the minister's reply? He said:

At present, there does not appear to be an immediate requirement for a VIA Rail Canada act. Once the existing legislative framework has been sufficiently tested, it should be possible to establish whether a constituent act is definitely needed.

There is no existing legislative framework because there never was a VIA Rail Canada act. The minister said flatly at that point that he had made a decision that there did not appear to be any need for a VIA Rail Canada act and that he wanted to leave it off.

The committee indicated to him before that it wanted to report to the House the day before the minister sent his reply. We were patient again and waited for the minister. On May 21, 1981, we wrote again to the minister and said:

The committee is of the view that there is an immediate requirement for a VIA Rail Canada act and that the existing legislative framework, consisting of votes in Appropriation Acts which may not even support all the regulations already made, is inadequate. Your letter appeared to the committee to avoid answering the issue it has raised. Consequently, the committee feels that a report to the Houses is needed and will be considering this matter again on May 28 and June 4. In the meantime, we shall appreciate receiving immediate clarification of your statement that "a decision on the matter is not possible". Does this mean that the committee has been told nothing is now being done to bring in a VIA Rail Canada bill?

As instructed by the committee, we are sending a copy of this letter to the government House leader so that he will be on notice of the committee's opinion that speedy action should be taken to introduce VIA Rail Canada legislation.

That date came and went without a response from the minister. Finally the committee reported, and again the minister's response came in after the committee had reported to the House of Commons, after the time had elapsed.

What we see in this history is either incredible ineptitude on the part of the minister, that he is incapable, over the course of several months in some instances, of getting his department to prepare letters for him, or we find that the minister is deliberately and consciously attempting to insult a committee of both

Houses, withhold information from it, and make it impossible to continue its proceedings.

Following the presentation of the report and following the minister's response, we wrote him again in mid-summer. We have yet to receive a response to that letter. In checking with the minister's officials today we find that a response was drafted for him some months later again, on October 14, but the minister refused to sign the response and it has been sent back for redrafting. How can Canadians expect that the minister will run the transportation system in the country if he cannot run his own office, if he cannot answer his mail? Surely Parliament deserves better from the Minister of Transport (Mr. Pepin) than it has received to date.

A further complication was added earlier this year when, in response to a question by the hon. member for Vegreville (Mr. Mazankowski), a former minister of transport, the minister responded in part to the committee's report. He indicated that as far as he was concerned he had made a conversion, he was now in favour of a VIA Rail Canada act. The House will remember that in the letter he sent to the committee, the letter upon which we acted, he indicated that he did not see any particular need, that he was quite happy to have this drag on, that it did not appear to be necessary. However, when the hon. member for Vegreville raised this matter in the House of Commons, it was made clear by the minister at that time that he had had a change of heart, that in fact he had decided that it would be useful to have such legislation. As reported on page 11454 of *Hansard* for July 13, 1981, the minister said:

> Madam Speaker, on the first subject, I am not in a position to comment because the decision of cabinet has not been made. On the other subject, that is the usefulness, necessity of having a VIA act, I am in full agreement with the views expressed by the hon. member and others.
>
> The problem has always been with the agenda or the timetable of the House. In 1977 when VIA was created by an item in the estimates, presumably there were too many items on the agenda of the House. Last year I gave priority to the problem of the transportation of dangerous goods. This coming year, as the hon. member knows, we have the ports policy to bring up. We also have the independent air safety board to create. Thus, time is really the problem. Everyone agrees that VIA is entitled to legislation of its own as one of the major Crown corporations. I am committed to cabinet to bring forward a memorandum on the subject which might lead to that realization, whenever the time of the House permits.

Again a reversal on the part of the minister. Initially when we wrote to him it appeared that he was sympathetic. That was over a year ago. Initially he appeared sympathetic, then he reversed himself, and in his letter in May he indicated that he was no longer sympathetic, that there was no need. Yet in July there was another reversal; there was a need but nothing would be done because he was too busy and Parliament was too busy. Nothing would be done to consider the report of the standing committee, to consider whether or not VIA Rail had been properly constituted, to consider whether the Parliament of Canada should have the opportunity to debate the government's comprehensive railway passenger program for the 1980s. Surely the minister insults hon. members of the House of Commons by saying that that matter is too trivial to be brought forward at this time. Surely we are entitled to have that act.

What does VIA feel about its position in this picture? I refer hon. members of the House to the 1979 annual report of VIA Rail Canada. In a report to shareholders, Mr. J. Frank Roberts, Chairman and President, said on page 5:

> 1979 clearly showed that the legislative and institutional framework within which VIA operates is inhibiting the corporation's ability to realize its full potential.
>
> VIA's mandate is to provide Canadians with attractive, convenient passenger train services while reducing the cost to government. This is being interpreted as "serve the public regardless of the cost" at one end of the spectrum, while at the other, it is taken to mean "reduce expenses regardless of the consequences".

We know on which end of the spectrum is the minister. He continued:

> It becomes therefore imperative that VIA's mandate and objectives be expressed clearly.

That is where the Chairman and President of VIA Rail Canada, speaking on behalf of VIA Rail, stands on this issue. Yet nothing has been done.

What did the Chairman and President say in the 1980 annual report? On page 4 of the 1980 annual report he said:

> VIA has further defined its mandate as a rail passenger corporation, but until a clear mandate is approved by government, progress will be difficult.

If the government had acted properly in the first place, if it had brought forward a VIA Rail Canada act, if it had allowed debate to take place in Parliament, if it had disclosed its plans to the people of Canada, if there had been proper discussion here and throughout the country, we would not be in the situation we are in today—with confusion reigning, with the minister acting under an extraordinary procedure to cancel VIA Rail lines, with VIA Rail itself complaining that it simply does not know its own mandate. If this had been done properly from the outset, we would be concentrating on providing a fast, efficient and economical rail passenger service to Canadians. But because it was not, we find a serious deterioration in service, we find cancellations taking place in this manner, we find serious disenchantment both within VIA and the country at large.

What justification can there be after all these years for doing the proper thing which the minister in his most recent flip-flop acknowledged is necessary and should be done? Was Parliament's concern in this issue something which was discovered only of late? The answer is no. This was debated in Parliament. There were points of order when the government attempted to act this way in 1977. The committee made two general reports on regulations; one in the second session of the Thirtieth Parliament, 1976-77 and one in this session. Both of those dealt with what we feel is a faulty procedure followed by the government in using Appropriation Acts to confer legislative authority upon itself.

• (1540)

Since we made our report on VIA Rail, Madam Speaker, in response to a point of order which was raised on this side of the House, ruled that in fact the committee's concerns were justified and that in fact the concerns expressed at the time VIA Rail was created were justified. So this is not something new, Mr. Speaker; it is not a trivial and inconsequential

problem but one that goes to the heart and functioning of the rail passenger system in this country.

What will happen if the government continues to act in this way, Mr. Speaker? What will happen if it does not put a comprehensive program before Parliament? The first thing we will find is that the government will resort to the extraordinary measures it used to cancel 19 per cent of its rail passenger service. That is of concern to this House and to all Canadians today. Witnesses will appear before the committee tomorrow evening to discuss the propriety and the legality of the government's action and the Minister of Transport will appear before the committee on Thursday afternoon. We will welcome him at that time and give him an opportunity to explain why he has acted as he has.

As chairman of the committee, I do not want to prejudge the discussions that will take place. Suffice it to say that there is consternation in the country about the actions by the government; suffice it to say that there is sufficient concern that members of the committee felt it necessary that this matter should be investigated. I am sorry that the Minister of Transport has left the House and I recognize that he has other important business to attend to, but I put him on notice at this time that counsel for the committee has found serious doubts about whether the order cancelling those railways passenger services is valid. It may very well be null and void and that even using this extraordinary method the government bungled its attempt to achieve its ends. I put the minister on notice of that today. I hope that other government representatives in the House will ensure that he looks into the committee's concerns in this respect.

The committee is on record as believing in freedom of information and I would indicate to the minister as well, therefore, that the legal opinions offered to the committee are available to him and to the people of Canada.

If the government does not bring forward comprehensive legislation, then it will continue to use these extraordinary methods to create a piecework rail transport system without any over-all direction or without there ever having been a proper debate on the subject.

The next thing that will happen will be a retrenchment of railway passenger services. Through attrition the service will shrink, serving fewer Canadians, but it will continue to be paid for by the people of Canada, it will continue to suffer from very serious morale problems and it will continue to be the cause of vexation to Parliament. But most important, unless the government makes a commitment to rail passenger service for the future and spells out its plans to Parliament, VIA Rail will continue to die the death of a thousand cuts as line after line after line is abandoned and service after service withdrawn. I know that no member of the House wants to see that happen. All members want a fast, efficient, economical railway passenger service in this country. If we are to have that, it is essential that the government act now and does not allow the drift to continue.

I call on the government to allow members on all sides of the House, and in particular members of the committee, to debate this report. I call upon the government today to put on record its intention to act without further delay on the committee's concerns and to confirm that it will allow Parliament to debate a full and comprehensive VIA Rail Canada act.

I will sit down before my time has elapsed, Mr. Speaker, but I want to establish that the onus is now on the government. The power is in the government either to act in the extraordinary way in which it acted last July by cutting short debate and preventing a parliamentary committee from doing its job, or by respecting the rights of Members of Parliament and the responsibility of a parliamentary committee and allowing a full debate in this House before any further action is taken.

I call upon the government today to do the right thing. I call upon it to allow the debate to take place. I call upon it to act without further delay on the report of the committee and to bring forward a comprehensive VIA Rail Canada act which will enable the country to have a rail passenger service second to none.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to support strongly the motion for concurrence moved by the co-chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments. I must say that it is with a certain amount of surprise that I rise at this time. I am pleased to see that the government has not adopted the rather shoddy tactics it adopted on July 14 last when a similar motion was presented by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). Following his excellent presentation on behalf of a unanimous committee, the then parliamentary secretary to the President of the Privy Council stifled debate by moving a motion that the House proceed to orders of the day.

One can only speculate on why a similar motion has not been moved at this point. I would not want to suggest, of couse, that the reason such a motion was not put forward at this time is that the government might lose the vote; perhaps there are not enough government members in the House to carry the motion. I know that this is not necessarily accurate, or at least it is possibly not accurate.

I am pleased to be able to take part in the debate on this motion for concurrence in the revised seventh report of the committee. Before getting into the substance of that report, I should like to say that this committee does not operate in the limelight; it is a hard-working committee which virtually always operates on the basis of consensus. The only power of the committee, if it believes that the government has taken action which violates the criteria established for the committee, is to report to this House. On a number of occasions the committee has reported on matters of substance and matters of procedure. The last time a motion for concurrence in the committee's report was put forward was on the fourth report. That was not just a two or three-page report on a particular regulation or statutory instrument but was a report on the means by which the committee had been functioning, the role of the committee in making very serious recommendations for changes in the way in which regulations are promulgated and

reviewed, and the opportunities that the public has for input into the process of making regulations.

That report was treated with contempt; it has disappeared from the Order Paper so that, effectively, the government has rejected the recommendations of the committee without any meaningful debate.

I emphasize that it was the unanimous recommendation of the committee—Liberal and Conservative members from both Houses agreed and, also a member of the New Democratic Party—that there should be sweeping changes in the process of reviewing all regulations in this country. The government's response was to kill the report.

Today there is before the House a motion for concurrence in the seventh report of that committee. I hope that the government will see fit to accept its recommendations in a spirit of good faith, following debate. The government may contemptuously reject all recommendations for change that the committee put forward but I hope it will recognize the work done by the committee and support the motion for concurrence in the revised seventh report.

My colleague, the hon. member for Wellington-Dufferin-Simcoe, has gone through the substantive elements of the report and the fact that members are deeply concerned about the way in which VIA Rail Canada was established by means of a procedural device known as a $1 vote. The effect of that procedure was to deny Members of Parliament, either in this chamber or in committee, any opportunity to debate the wisdom of creating this important corporation. That sets a very dangerous precedent for the future.

● (1550)

We are also concerned about the precedent which has been created by the establishment of this multimillion dollar corporation for future operations of the government. How many other procedural wrangles and devious devices of this nature will the government use in an attempt to bypass Parliament? We have already seen the way in which the government has chosen to ignore the views of literally hundreds of thousands of Canadians by bypassing the Canadian Transport Commission in chopping very fundamental and badly needed rail service throughout this country. Therefore, to suggest that the government may be establishing a precedent here, I would submit, is not being alarmist, but, rather, is a recognition of the trend which seems to be very much in vogue with this particular government.

It was not so very long ago that the Prime Minister (Mr. Trudeau) said that Members of Parliament, when they left this chamber, were nobodies. There seems to be a new philosophy with this government. Members of Parliament, not only outside the chamber but also inside the chamber, as far as this government is concerned are nobodies. It is that concern which was addressed by our fourth report, the report which the government killed and which has disappeared from the Order Paper. It is that concern to which the committee addressed itself in our seventh report, which is now before the House. As I stated, the establishment of VIA Rail by a $1 vote subverted any opportunity of Parliament to debate the wisdom of the creation of this important institution which is being destroyed or, at least, seriously harmed by the actions of the Minister of Transport (Mr. Pepin).

What was the response of the government to the concern which was expressed by our committee? Our concern was that at the very least a bill should be brought before Parliament creating VIA Rail Canada, in order that Members of Parliament on all sides of the House might have an opportunity to consider the wisdom of that. The response has been "yes" and "no", and "yes" and "no". I understand that the latest answer from the minister was "yes", in response to a question by the hon. member for Vegreville (Mr. Mazankowski). As recently as May of this year, quoting from Appendix "A" to our report, we were told by the minister:

> At present there does not appear to be an immediate requirement for a VIA Rail Canada act. Once the existing legislative framework has been sufficiently tested, it should be possible to establish whether a constituent act is definitely needed.

Of course, what this is saying is that the government, having established our committee, having accepted that this is an important committee, can pick and choose; and when we submit a report with which the government agrees, then it can graciously concur. However, when we submit a report which is in any way critical of the government, which it does not like, it can do one of two things: it can use its procedural gimmickry to kill the report, as it did with our fourth report; or it can permit a debate for a period of time, and then use its numbers to vote against the motion of concurrence.

I cannot believe that the Liberal members on this occasion would actually take that opportunity to vote against a motion of concurrence which is so vitally important to the nation and which so fundamentally affects not only VIA Rail, but also the way in which this Parliament works. Because that is the essence of this report. Indeed, the substance is important, the question of whether or not the minister can bypass Parliament, bypass elected representatives, and create this corporation. However, far more important is the way in which similar recommendations are treated by this government.

We are talking, indeed, about the role of this committee. As one member of that committee, I question the usefulness and validity of spending thousands of dollars of taxpayers' money—our counsel recently estimated something in the order of $200,000—and valuable hours of parliamentarians' time from all sides of the House in carefully considering regulations and statutory instruments if, when we decide as a serious matter that we must report to the House that the government has apparently violated certain of our criteria, the government can just sweep that report under the carpet and ignore it. What is the point of the committee? That is our only power: the power to report to this House; the power to hope that in good faith our reports will be considered on their merits by all members of the House.

In closing, I urge that the House give very serious consideration to this important motion, not only in terms of the substance of the seventh report which is before us, which is the

manner in which VIA Rail was created, but, far more importantly, as an indication of genuine response to the important issues which have been raised by this committee. It would be an indication of its importance that when this committee reports we do take seriously our mandate, and that this House, or a majority on the other side, does not contemptuously choose to ignore any criticism but responds to it in a positive and constructive manner.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): We shall very shortly see whether this government is prepared to listen to the Standing Joint Committee on Regulations and other Statutory Instruments, to listen to a unanimous report, or whether once again it is prepared to use its procedural gimmickry to sweep this report under the carpet, to kill the report and to kill a very worthwhile recommendation for the creation of a very important corporation, VIA Rail Canada.

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

Mr. Nielsen: A point of order, Mr. Speaker. If government members speak now, they will have an opportunity of moving that we move to orders of the day. I therefore move that the hon. member for Vegreville (Mr. Mazankowski) be now heard.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. The only time to move a motion such as that which the hon. member for Yukon (Mr. Nielsen) has just raised is when he has been recognized and given the floor. Had he been recognized and given the floor to participate in the debate, he could—

Some hon. Members: No, no!

Mr. Blenkarn: Not so!

The Acting Speaker (Mr. Ethier): Again, I must say that had he been recognized on a point of order, debating again whether there were two hon. members getting up to speak at the same time, and—

Mr. Blenkarn: There were several.

Mr. Lawrence: I stood up.

Mr. Mayer: I stood.

The Acting Speaker (Mr. Ethier): Order, please. The Speaker, in the usual fashion, had been alternating. I saw the hon. member for Willowdale (Mr. Peterson) and I have recognized him. There could have been others seeking the floor whom I did not see; but at the time I alternated, as I do in all debates. The first hon. member to speak was from the official opposition, the second was a member from the NDP, and then we go to the other side. That has been done all the time. I did not choose between any hon. members. I recognized the hon. member for Willowdale, whom I saw rising. That now being the question, I will hear the hon. member for Yukon on his point of order.

Mr. Nielsen: May I refer the Chair and his advisers to *Hansard* of December 11, 1975, at page 9938, where this precise question came up. After Mr. Allard had finished speaking, the then House leader for the opposition spoke. I draw Your Honour's attention to the fact that it was on a motion to concur in the report of a standing committee. Immediately after the mover had finished speaking, the hon. member for Grenville-Carleton (Mr. Baker) said this:

● (1600)

Mr. Speaker, I rise on a point of order. Under the Standing Orders of this House, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

"That the hon. member for Humber-St. George's-St. Barbe be now heard."

MR. DEPUTY SPEAKER: The hon. member for Grenville-Carleton (Mr. Baker) has risen on a point of order under Standing Order 29, at page 24 of our Standing Orders, which reads as follows:

"When two or more members rise to speak"—

That was the situation here when the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Willowdale (Mr. Peterson) rose at the same time. Standing Order 29 continues:

—"Mr. Speaker calls upon the member who first rose in his place"—

That is what you did, Mr. Speaker. Standing Order 29 concludes:

—"but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate".

Then the hon. member for Nipissing (Mr. Blais), along with the hon. member for Medicine Hat (Mr. Hargrave), intervened in the debate. Mr. Deputy Speaker, who was in the chair at that time, put the motion.

I suggest to you, Sir, that that is the obligation of the Chair now unless—I want to be fair because we all want to be fair on this side of the House—we can have the assurance of government members that their participation in the debate will be had without moving any motion to proceed to orders of the day or any other motion that will impede, restrict or limit the debate today. I am sure that all hon. members on this side are prepared to accept the word of the government if the government is prepared to make that stipulation. Then there would be no question on this side. Otherwise, I suggest the Chair is obliged to put the motion I have moved, which has been seconded.

The Acting Speaker (Mr. Ethier): After referring to the Standing Orders, I want to correct something I said earlier. The hon. member for Yukon had the right to rise. I recognized the hon. member whom I saw rising, namely the hon. member for Willowdale. It is very difficult for the Chair to argue. I am told other people were seeking the floor, and that could be debateable. When things such as this happen, the point made by the hon. member for Yukon is in order. The hon. member for Yukon has made a proposition. Nevertheless, I would have to put the motion before the House if anyone wants to be

heard. There is a motion before the House that the hon. member for Vegreville be now heard.

Mr. Smith: Mr. Speaker, I believe the hon. member for Yukon (Mr. Nielsen) was seeking an assurance from this side of the House that a motion of that type would not be put. I am prepared to give that assurance to him.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): I believe the matter has been settled. Will the hon. member withdraw his motion?

Mr. Nielsen: Of course, Mr. Speaker. I seek unanimous consent to withdraw my motion on the understanding that this debate will in no way be limited until ten o'clock tonight.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): The motion had not been officially put. I was just given an indication of what the situation would be should the hon. member insist on being recognized. I see the parties have now come to an understanding. Therefore, the Chair will recognize the hon. member for Vegreville.

Mr. Deans: Mr. Speaker, I rise on a point of order. I am delighted with the agreement that has been arrived at, but would the Chair be kind enough at some subsequent time, perhaps tomorrow or on another day, to rule on the suggestion, if nothing else, that is contained in Beauchesne's fifth edition in Citation 234, which reads:

(2) A member cannot rise on a point of order to move a motion.

Mr. Nielsen: Except this one.

Mr. Deans: With the agreement that we already have, I am concerned, quite frankly, that at some future time a minister of the Crown, or any other member, may rise on a point of order for the very purpose of cutting off debate. Would the Chair be kind enough to review that particular citation and give a ruling to the House on its appropriateness?

Mr. Nielsen: Not without argument.

The Acting Speaker (Mr. Ethier): Order, please. I think the hon. member's point is well taken as it pertains to the matter at hand, but a motion is not before the House. Therefore, I recognize the hon. member for Vegreville.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, at the outset I should express my appreciation to the hon. member for Willowdale (Mr. Peterson). I think it is fair to assume that after the understanding was made there was a disposition on our side to yield the floor to him. But on the other hand, the hon. member appeared to want to hear my words of wisdom first and elected to follow me.

It is with a great deal of pleasure that I rise in my place this afternoon to support the motion presented by my colleague of concurrence in the seventh report of the Standing Joint Committee on Regulations and other Statutory Instruments. I want to pay tribute as well to the co-chairman and the membership of this important committee, who I understand have worked in a very non-partisan way to attempt to uphold some of the traditions and principles of the institution of Parliament. I think their report is an excellent one.

However, I am saddened that the Minister of Transport (Mr. Pepin) has been so derelict in responding to it. Nonetheless, he did indicate to the House last Thursday, when I had an opportunity to debate a question in the adjournment debate, that he did have the first draft of a VIA Rail act. That is certainly some progress, Mr. Speaker, but it is something which should have been placed before this House some time ago.

At the time VIA Rail was created by a $1 vote in the estimates, we took exception to the circumvention of parliamentary authority. VIA Rail has since grown into a full-fledged Crown corporation, and as late as July 27 and since then it has been the subject of a major national debate.

It seems to me the failure of the government to move toward the formal ratification of VIA Rail through the Parliament of Canada constitutes a very dismal failure on its part. The action to reduce, if not emasculate, Canada's rail passenger service which is operated by VIA Rail is indeed a shameful act which is causing deep anger, outrage and regional discord. It is creating very severe and grave implications for hundreds of thousands of Canadians who use and rely on rail passenger service. It will have some very serious consequences on the 1,600 people directly affected by these cutbacks, plus the hundreds of thousands of others who will be indirectly affected.

What is fundamental is that this government has failed to call upon Parliament to share in the formulation of rail passenger services in Canada as a major national policy. It seems to me that it is not asking too much to call upon the Parliament of Canada, its elected representatives and the people of Canada, those who are directly and indirectly affected by rail passenger services in this country, to come forth and contribute in the formulation of an over-all rail passenger policy.

The fact that VIA Rail was established by the stroke of a pen through a $1 item has disallowed that opportunity to Canadians. It has prevented the Parliament of Canada from establishing a mandate with goals and objectives which would govern the operation of VIA Rail. It does not have the necessary bargaining power at the present time because it lacks the kind of autonomy it should have as an ongoing business concern.

● (1610)

The reason for this is its outdated and archaic costing order. Under the basis of the present terms of reference and mandate, it is not able to deal with that in a realistic way. VIA Rail has failed to address the real needs of rail passenger services in this country because it has to go cap in hand to the government. It is the victim of the railways which constitute 63 per cent or more of VIA Rail's expenditures, an exorbitant cost, and that

leaves it very little room for manoeuvring. This 63 per cent expenditure is made without any control.

The R-6313 costing order is part and parcel of the failure of VIA Rail to function effectively and adequately in the discharge of rail passenger services along with its lack of a clear-cut parliamentary mandate outlining its goals and objectives and over-all global rail passenger policy for Canada. Those are the failings of VIA Rail today.

We have a situation now where a minister of the Crown can unilaterally and arbitrarily choose to reduce capriciously rail passenger services in this country by 20 per cent, inflicting very severe damage upon countless hundreds of thousands of Canadians.

I am not objecting to the principle of VIA Rail. As a matter of fact, during the course of our public hearings throughout Canada there was widespread support for the concept of VIA Rail. But the people that support VIA Rail would like to see a clearly defined mandate outlining VIA's goals and objectives. These Canadians would like to see it function as a bona fide Crown corporation which would have the mandate to deal on the basis of sound business principles.

I support the concept of VIA Rail but object to the fact that it was created in a haphazard manner. Canadians across this country are now paying for that carelessness. VIA Rail is now subject to the whims of a minister and government which, with the stroke of a pen, can reduce the service by 20 per cent.

What might we expect next year? The government may decide in its wisdom that the hon. Minister of Transport will have to reduce his budget further. The President of the Treasury Board (Mr. Johnston) and the chairman of the economic development committee, who has over-all charge, may tell the Minister of Transport to shave another $100 million off his budget. Naturally, he will pick VIA Rail because its subsidies and expenditures are clearly defined. There is no difficulty in ascertaining what the government pays toward support of rail passenger services in this country.

It is not as easy to determine such a figure with respect to air transportation, surface transportation or even marine transportation.

If the Minister of Transport and this government is allowed to proceed with this drastic kind of emasculation of a service which is needed, it establishes a very dangerous precedent.

I point out again, next year it could cut back another 20 per cent or unilaterally abandon more branch lines. The basic branch line network in western Canada is not very safe if this is allowed to continue. The minister might even suggest as a cost cutting measure a cutback in ferry services support. These issues have to be dealt with.

When the archaic R-6313 costing order is coupled with the lack of an appropriately defined VIA Rail mandate, one arrives at the central core of what constitutes the failure of VIA Rail. Those two items must be dealt with.

We must have a clearly defined VIA Rail act. We must have an upgraded and realistic costing order, similar to what Amtrak has in the United States whose cost of services provided by the railroad amount to 25 per cent of the budget. VIA Rail pays more than 63 per cent, close to two thirds of its total budget, on services that are provided by the railroads. One clearly gets the picture when one looks at the sleazy and slippery way in which these cutbacks were put into effect and the failure of the government to address costing order R-6313.

The government has shied away and continues to shy away from public debate. I cannot figure out why it refuses to hold public hearings. If the minister and his colleagues embarked on public hearings as our party chose to do during the summer, they would have been able to gauge the depth of the feeling there is for maintaining an effective and adequate rail passenger service in this country.

Maritimers especially are outraged by the fact they are going to lose their rail passenger service. They are not going to have alternative forms of service. I am sure the minister does not realize that maritimers rely more heavily on rail passenger service than does any other region of Canada. Time after time we heard witnesses testify that the railroad was part of the deal with confederation and they would not have been a member of confederation if they had not been promised adequate and effective rail passenger service.

Some hon. Members: Hear, hear!

Mr. Mazankowski: As a matter of fact, they went so far as to say "Constitution be damned. Rail passenger service, yes. That is what we need." Maritimers are losing their rail passenger service and do not have an opportunity to express their views or challenge the minister.

Suspicions? There certainly are suspicions with respect to the accuracy of the figures and statistics that were given as background to the formulation of this decision. Time and again we heard the charge that revenues have been understated and expenditures overstated. We have heard people say time and again what would happen if their rail passenger service was taken away. One lady said it would be tantamount to cutting the heart out of New Brunswick.

It is the taxpayers of Canada who are paying to support VIA Rail service. Why can we not give the taxpayers of Canada the opportunity to share in the formulation of an effective rail passenger policy? We could do it under a VIA Rail act. We could have a beneficial debate in the House of Commons as well as across the country which would establish the needs in every region. We could educate Canadians to what it really costs to provide service, and then they could make up their minds whether they believe we should have a luxury type of service, a standard type of service, intercity services, regional or local services or transcontinental services.

• (1620)

The fact is that since the announcement of the minister this kind of assessment has been taking place. There are no less than four alternatives which are now on the table which could be used in exchange for the decision the minister has advanced. Transport 2000 has advanced an alternative pro-

posal. The government of Alberta has advanced an alternative proposal. VIA Rail itself has come out with an alternative proposal on re-equipping the transcontinentals, which would provide better service, reduce costs and put rail passenger service into the current technological era.

Indeed, there are rumblings from the minister's own department that there are better ways of achieving his objectives than the one he chose. There are rumblings from his department which take issue with the way in which the minister chose, unilaterally and arbitrarily, to reduce rail passenger services in this country.

The infamous leaked document which got into the hands of the *Toronto Star* said this, and I quote:

> Only July 27 ... the government announced widespread changes in VIA Rail ... These changes have been approved by the governor in council, by means of an order in council varying Canadian Transport Commission orders and directives, and are to be implemented on November 15, 1981.

We have seriously questioned the propriety of a minister's invoking Section 64 of the National Transportation Act on a decision taken by the CTC more than two or three years ago. I find that really incredible because I do not believe Section 64 was ever intended to be used as a policy-making device. It seems to me that Section 64 was to give the governor in council an opportunity to deal with a timely and recent decision rendered by the CTC. If this government did not like the decision of the CTC back in 1977 or 1978, it should have invoked Section 64 at that time. It should have rescinded, amended or changed that decision in any way, shape or form it chose, but it refused to do that. It accepted that CTC decision and, two or three years later, it comes along and says, "Oh, but today we do not accept it, so we are going to amend it." That is wrong. That violates the spirit of the National Transportation Act, and it violates the intent for which Section 64 was to be used. Furthermore, it deprives the affected parties of the opportunity of natural justice.

As hon. members will recall, when considering whether to abandon or to expand rail passenger service or any mode of service in the country, the CTC used the criteria of public convenience and necessity to render its decision. It rendered a decision on the criteria of public convenience and necessity, and that is enshrined in the spirit of the National Transportation Act. Any movement away from that, in my view, is clearly challengeable. If the minister wants to change that fundamental part of the National Transportation Act, then he should bring in an amendment to the National Transportation Act, and we would debate it. However, the minister has not done that. He has chosen to hide behind the powers of Section 64, and I believe he is wrong. I believe he is violating the intent of Section 64 and the spirit of the National Transportation Act.

I am very happy that my good friend, the hon. member for Laprairie (Mr. Deniger), is in the House because I respect his views on transportation. I know he has worked with the CTC. I listened to him very carefully the other day when he said, with a great degree of clarity and assurance, that the minister was very much engaged in proper action consistent with the provisions of the National Transportation Act and Section 64 when he arbitrarily chose to cut back rail passenger service by 20 per cent. Notwithstanding the alleged legality of it, it is morally wrong, and it breaks with the democratic and traditional way of doing things in this country. I hope the hon. member will welcome the challenge in the courts respecting Section 64 because I think—and the hon. member will agree with me—that if this action by the minister goes unchallenged, it will represent a very dangerous precedent which we in this chamber will live to regret.

The document leaked from within the Department of Transport goes on to say that to accomplish this decision—

> —the government has used Section 64 of the National Transportation Act in an unprecedented manner.

That is what we are saying. I do not think it has ever been used in this fashion in the 50 years of the CTC and its predecessor, the Board of Transport Commissioners. That is why it is dangerous, and that is why it is wrong.

> Instead of using the section as its drafters intended to vary the odd CTC order it did not agree with, the government is using it to restructure the whole VIA system.

The government is using Section 64 to restructure the whole VIA system. I get back to the thrust of the committee report, and that is the fact that VIA has been improperly constituted in a parliamentary sense. The matter should be brought before the House of Commons for full debate, and VIA should be fully mandated by the Parliament of Canada. So doing would give the members of this House and the people of Canada an opportunity to outline and formulate a clear-cut rail passenger policy for Canada. The government has failed to do that, and it continues to circumvent the issue and either break the law or come close to breaking the law. This government is very famous for that, and it is time it was challenged on every count.

The document goes on to state:

> This is being done without CTC public hearings and without parliamentary scrutiny. Announcement of the changes was deliberately help up until Members of Parliament had left for the summer recess.

There you have it.

> As best as can be determined, those responsible for the policy were so intent upon maintaining secrecy that only a limited number of government and VIA headquarters officials decided upon the detailed changes. The cabinet apparently then ordered further changes according to ministers' wishes, resulting in as uninformed and inconsistent an exercise in transportation planning as could be imagined. It appears that two particularly valuable sources of expertise, the CTC and VIA's own regional officers, were deliberately excluded.

It goes on to state:

> It must be acknowledge that VIA's costs generally seem to be escalating rapidly and that several of the government's proposed cuts could be made without great hardship. The premise of the present alternative proposal is that roughly the same magnitude of saving could be realized by a proper and even-handed planning exercise, rather than the one conducted hurriedly behind closed doors by a small number of officials.

The document goes on further to outline an alternative proposal to the minister's decision which would result in an estimated $2.4 million per year saving in addition to the $100 million the minister alleges he will save. That is $2.4 million more than the government's proposal and, at the same time, "The Atlantic" would be salvaged and the western transconti-

nental would be salvaged. However, what we are looking at here is the kind of gimmickry and illegal tactics in which this government engages. It is absolutely shameful. It is the process as much as the decision that is causing anger and outrage throughout the country.

• (1630)

The government should allow a full-fledged public debate on VIA Rail. It should bring in legislation outlining its policy parameters, refer it to the standing committee and let the committee travel across the country to hear the views of the people. Is that asking too much? The transport committee has always been one of the most prestigious committees of the House of Commons. We have a railway committee room. This is because transportation is so important to this country.

If the government brought in a VIA Rail act, it would find there is widespread support for the concept of VIA, particularly at this time with high energy costs. VIA has not been given a fair chance to prove itself. More and more people are choosing to ride the trains, 41 per cent more today than when VIA took over. The government would find that rather than cutting back on rail passenger service, the people of Canada would recommend an expansion. There needs to be an upgrading of equipment.

Let us look at the Canadian Transport Commission decision of 1977-78. In addition to the establishment of the route structure some specific orders were made having to do with improvements in rolling stock, sleeping accommodation, meal service, scheduling and marketing. Those orders have not been fulfilled notwithstanding that ridership has increased by 41 per cent.

The government will not refer this decision to the Canadian Transport Commission or a standing committee because it is afraid of the truth, afraid to hear what the people have to say. The government did not talk about cutting back VIA rail service during the last election campaign. Now it is moving unilaterally and arbitrarily because it thinks the people will forget by the time the next election campaign rolls around. The people will not forget about this. I said the other day that instead of "twin-track Trudeau" we now have "No train Pepin". That is what it amounts to.

There is massive objection across Canada to the cutbacks in rail services proposed by the minister. There is massive outrage with regard to the arbitrary manner in which this decision was made. There is a very deep concern about the future of the Canadian Transport Commission. What is its role? It has suffered an end runaround in this case. It has been circumvented and emasculated. Who will be the protector of the public interest in terms of ensuring that we have adequate transportation service for all modes, air, surface and marine?

The people of Canada who appeared at the very extensive hearings in 1976 and 1977 believed that the decision was reached after all the evidence was presented to establish a rail passenger framework which was then described as being at an irreducible minimum. Any modification of that should automatically be referred back to the CTC. In its policy directive to the CTC, the former minister of transport said among other things that the government wanted the CTC to establish a single spine transcontinental network. The CTC rejected that on the basis of public convenience and necessity. The commission found and ruled that under that criteria the service requirements could not be fulfilled with a single spine network. As I said earlier, if the government disapproved of that, it should have invoked Section 64 at that time. To do it now is wrong and in violation of the spirit of the act and the intent of Section 64.

If the government brought forth a VIA Rail act and deferred its decision to cut back, it would find through the voice of public opinion that the economic and social impact will be far more serious than it had considered. For that reason there has to be some check and balance. The government cannot unilaterally and arbitrarily, without any recourse to public input, do an end run on the people of Canada. It will find that the people of northern Ontario, particularly in those areas which will not have an alternate service, the lower income groups, the trappers, fishermen, outriggers and those in the Indian communities will be very seriously affected.

Many members on this side spoke about the impact on the tourist industry. If the government allowed the committee to go across the country, it would find that VIA Rail and rail passenger service is becoming a very major and integral part of tourist marketing in this country. The Japanese, Americans and Europeans who come here to visit the Rocky Mountains and the many attractive places in the Atlantic region use VIA Rail. There is a really blossoming tourist industry which centres around VIA Rail.

We heard during the hearings that people find it strange that on one hand the government pours hundreds of millions of dollars through DREE grants into the tourist industry in Atlantic Canada, and then another minister comes along and wipes out rail passenger service. How inconsistent and contradictory. The government would find as well that any reduction in rail service would have a very significant impact on our total tourist industry and therefore our balance of payments. It could see the discord and regional tension that would be created.

If the federal government brought forward a VIA Rail act and allowed the transport committee to go across the country to get the views of Canadians, it would find that the regions of the west and Atlantic Canada where the bulk of the cuts will take place would be most affected. Job loss will take place in those areas where there is the highest level of unemployment.

Any mention of the fact that moneys will be transferred from Atlantic Canada and western Canada to further support services in the Quebec-Windsor corridor will cause anger and tension. In that area there is now a multiple choice of transportation services.

It is interesting to note that in its submission to the transport standing committee, Voyageur Bus Lines very dramatically indicated that it was absolutely opposed to VIA Rail cutbacks, and the emphasis being diverted to the Quebec-Windsor corridor. Quite frankly, the traffic generated by

Voyageur along the Quebec-Windsor corridor is an important source of revenue for supporting other routes which are not so viable. Thus, that support is required to finance the not so heavily travelled runs.

● (1640)

What is going to happen by concentrating VIA Rail's efforts on the Quebec-Windsor corridor is that you may very well be putting a viable bus industry in jeopardy, certainly putting an industry in jeopardy to the extent that it is going to be forced to cut back on its less heavily travelled runs. This should be another matter considered in any over-all rail passenger policy.

There are many things that can be said about the present level of VIA Rail transportation. Suffice it to say it is not the time to be cutting back. It is not the time to be reducing rail passenger services, for a number of reasons. I have not mentioned the energy issue. Since we now have an oil agreement that is going to see fuel prices rise to $4 and $4.50 per gallon, surely it is incumbent upon us to take another look at all modes of public transportation, and surely it is incumbent upon the legislators of Canada to study the implications. This is new evidence which I believe has not been considered but should be considered. This also could be considered if we had a VIA Rail act brought before this House.

It has been said that VIA has suffered because it has been an illegitimate offspring and has suffered four and a half years of neglect. I believe this is an accurate reflection, because VIA was charged with the job of doing almost the impossible. The contractual arrangements and the costing arrangements that were put in place should be completely overhauled and reviewed. There should be no cutbacks based upon a costing order that is archaic and out of date. The CTC found it out of date. The CTC says that it has to be overhauled and has to be changed. The contractual arrangements have to be changed. VIA lacks the kind of autonomy it requires in order to do the job it is asked to do.

What about the historical and the statutory obligations of the railways? What responsibilities do they have in terms of maintaining rail passenger services? Under Sections 260, 261 and 262 of the Railway Act there are still some very clear statutory obligations for the purpose of maintaining adequate accommodation for passenger traffic and freight traffic. Those are items that should also be brought to the attention of the government and to any House committee that would be considering a new mandate for VIA Rail.

What about the question of energy efficiency? When we are looking at VIA Rail and the future of transportation in this country, surely it is time to come up with a clear analysis so that we may determine once and for all what is and is not the most energy-efficient mode of transportation. Surely it is time once and for all to establish what forms of public transportation are subsidized more than others, to what extent the highway mode is subsidized and to what extent the air mode, the marine mode and the rail mode are subsidized. We have various conflicting figures. Everyone uses their pet set of figures to argue their specific point.

Clearly the time has come when all of these things must be put on the table and properly analysed and considered so that we can end up with the best kind of transportation system in this country. I am not simply pleading a case for rail passenger service. There is no question that we need all modes of transportation. But we must adopt intermodal concepts so that we can use the various modes in the most efficient and effective way possible. We will not do this unless we have an opportunity to debate a transportation policy and, particularly, a rail passenger policy. I believe this is the issue we are addressing ourselves to today in the substance of this particular motion.

I appreciate the opportunity to put some of my thoughts before the House, not only on the legality but some of the pitfalls, obstacles and difficulties that VIA Rail faces in terms of operating under its present structure. The fact of the matter is that VIA does not have an adequate structure to discharge the job it was asked to do.

If this motion is adopted and carried, it will compel the Minister of Transport to bring in a VIA Rail act which we can consider in depth, with the fullest of debate and in a manner where we would not be faced by a guillotine on November 15 which would emasculate and destroy the real heart and core of VIA Rail's route structure. Surely this is not asking for too much.

The Prime Minister (Mr. Trudeau) has talked at great length about the fact that we have waited some 50-odd years to get a Constitution. I am sure another year of deliberate consideration of this important subject that affects the hearts and minds and welfare of Canadians from coast to coast is in order. Why the haste? Why do we not just sit back and try to do something right? At a time when other countries are expanding rail passenger services, surely now is the time Canada should join that club. We can join that club by moving this motion forward. I hope members on the other side of the House will see fit to support it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please! It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Industry—Location of aerospace training centre institute—Request for commitment to Winnipeg site; the hon. member for York-Sunbury (Mr. Howie)—The economy—Measures to aid maritime region—Request for assistance to home owners renewing mortgages; the hon. member for

Ottawa-Vanier (Mr. Gauthier)—The Constitution—Possible postponement of federal-provincial meeting—Government position.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN REVISED SEVENTH REPORT OF STANDING JOINT COMMITTEE

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

That the Revised Seventh Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Wednesday, June 17, 1981, be concurred in.

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I am pleased to rise in this debate on a question of procedure in the House. It is a question of how Members of Parliament are going to regulate their affairs and how the House is going to conduct its business in the most efficient way with a view to having the fullest hearing on the issues.

A report of the joint standing committee has been tabled in the House. Before we proceeded to orders of the day, a motion was made for concurrence of this report. The government, through the task forces it has launched, through the various committees and reports put before Parliament, has commenced a process of involving more parliamentarians to reach out further than the executive branch ever hoped it could to listen to Canadians, to talk to Canadians and to bring their views before this House. We must not cut this important, progressive move off at a very initial state, at a very tentative stage of its youth.

We are proposing a process whereby Members of Parliament, through joint committees that will involve hon. senators with their experience and wisdom, as well as members of all parties in the House, members who have expertise along with those who want to become experts in the subjects, go out and do their job.

I want to commend the standing joint committee, of which the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) is a member, for the work the committee did on its fourth report on the whole process of regulatory reform. I also commend the committee for the work it has done in its subsequent report. But I am not talking about the substance of the report that is before us today. I am talking about the process which could be used to stifle the authority of these task forces and committees in the future of our parliamentary system.

• (1650)

The hon. member for Burnaby (Mr. Robinson) said that the government was stifling debate in wanting to get to orders of the day when we dealt with this matter previously. He said that the report had disappeared from the Order Paper and that, in effect, the government had rejected it. He asked; "What is the point of the committee?" The point of the committee was very important. The committee made its report. It was made public. It formed part of the legislative record which would act as a touchstone for legislation in the future. We have had a debate on VIA Rail in the House.

Let me turn to the specific proposals contained in the seventh report. It deals with the question that there was a $1 vote in 1977 which was the essence of our proceeding to cut VIA Rail. Let us look at this process. Nowhere in the record could I find any criticism of that measure which was taken and the possibility which was opened up in 1977. I challenge hon. members of the opposition to show us anywhere where that issue was challenged. The seventh report of the standing joint committee indicates nowhere that the procedures being adopted are illegal. Also the Minister of Transport (Mr. Pepin) stated on a number of occasions that he intended at some future time to bring in a VIA Rail act. He has assured us that the government will be presenting this House with VIA Rail legislation for the future. As the minister explained so lucidly to the House, at the present time he is dealing with a crisis in cost.

I should like to return to the seventh report in which reference was made to the fourth report and the work of the previous committee of which the hon. member for Wellington-Dufferin-Simcoe was a member. I must confess that he provided a great deal of leadership in terms of the fourth report which dealt with the entire process of regulatory reform. I only wish that his hon. colleague, Senator Godfrey, could be with us in the chamber today to assist in the debate of this particular issue. His learned contribution to the entire process of regulatory reform created another touchstone for Members of Parliament as we look to the future of our various committees and the roles each individual can play.

The seventh report reads in part as follows:

Your committee's predecessor called for an end to this practice inimical to parliamentary sovereignty. It should stop and all existing subordinate laws made under votes should be the subject of review as to merits by the appropriate parliamentary standing committee.

This is a clarion call for a new system and a new approach. I recall the words of the hon. House leader when the standing joint committee presented its fourth report. The hon. member for Wellington-Dufferin-Simcoe moved concurrence at that time, and the response of our House leader was that we had taken under consideration the very important proposals which have been put forward. He indicated that we agreed with many of them but that other reports had been put forward as well. There was the Lambert commission, the first report of the Economic Council and the report of the parliamentary task force on regulatory reform of which I was pleased to be chairman. This task force was very ably served by hon. mem-

bers from both sides of the House. Also there was the final report of the Economic Council of Canada which was published recently.

Within the last several years there have been a number of reports before the House dealing with the entire process of regulatory reform. The fact that the government created task forces and mandated various bodies to deal with the issue surely testifies to the good will on this side of the House to ensure the regulatory process goes ahead. I need only refer hon. members to the budget debate of last year in which the then minister of finance twice referred to the fact that regulatory reform was a priority of the government and that through proper regulatory reform we could indeed reduce the burden of regulation on the private sector in Canada and make regulators more accountable to Parliament and to the people of Canada.

This is why I am happy to rise on this particular issue. I felt somewhat taken aback when the hon. House leader of the official opposition quickly rose from his seat when he saw me rise to speak. I felt that he was suspicious. I do not know why he would want to be suspicious. Perhaps he felt that I was rising to try to stifle debate on this particular issue. I assure him that I was prepared at that time to defer to the hon. member for Vegreville (Mr. Mazankowski) for whom I have a high regard. He has fought for particular issues with great eloquence in the House. We on this side of the House are pleased to have an opportunity to speak on this matter.

In connection with the entire process of regulatory reform about which we are talking, I should like to indicate that we are talking about the process by which regulations and rules are made and about the process of subordinate legislation. I bring to the attention of the House—and this is the first opportunity we have had to do it—a number of proposals put forward in our report which were concurred in by the fourth report of the standing joint committee. There has been widespread feeling that the exercise of ministerial discretion should be subjected to greater control. Perhaps this view is best expressed by Dicey. I should like to quote from the "Law of the Constitution" in which this learned jurist said:

> The rule of law is contrasted with every system of government based on the exercise by persons in authority of wide, arbitrary or discretionary powers of constraint . . . Whenever there is discretion there is room for arbitrariness . . . Discretionary authority must mean insecurity for legal freedom on the part of its subjects.

This statement was made by the honourable jurist in 1885. Since that time I believe his words have held true, but the circumstances in our country and throughout the entire free world have changed dramatically. Government is much more a fact of life than it was then. Laws to protect consumers and individuals, to protect and help small businesses, to control abuses in many aspects of our lives, have become much more paramount. We in the task force found that many departments had amendments to regulations which they wanted to bring forward. They required amendments which had to be brought before the House. Some of them had been trying for four or five years to have their amendments put on the Order Paper. But we know that the House is blocked. There are so many bills on the Order Paper which deserve the urgent attention of hon. members that we know we cannot operate strictly through the House. Therefore we have developed a system of delegating legislation to ministers to operate in certain areas. The standing joint committee has a watchdog role over the exercise of discretion. Let none of us confuse the fact that while we believe in the rule of law, the government could not effectively carry out its roles and responsibilities without having recourse to subordinate legislation.

Let us consider the admonition of Mr. Justice Brandeis who put the need for control this way: "Power must always feel the check of power". Also we should consider the words of Sir Richard Cartwright, the great grandfather of Chief Justice Cartwright, who said in 1912:

● (1700)

> No man and no party can be safely entrusted with uncontrolled power.

The question before the House is not a question of the abuse of uncontrolled power. We have had members speak on this particular issue of VIA Rail and many members spoke in various ways. Some members on this side of the House have condemned certain of these closings, as have hon. members opposite.

Members have talked in the past about the need to control unnecessary expenditure. Members who have appeared before the transportation committee will realize that in many cases buses and alternate modes of transportation could serve us better than rail, so let us approach the question of transportation with an open mind.

The whole question of the process of regulatory reform is not the same here as in the United States. Hon. members opposite are getting quite excited about the process of regulatory reform. I would have thought they would be among the vanguard of those who seek to improve the accountability of the executive branch of the legislative arm. I welcome the attention of hon. members opposite given to what this House is trying to do.

I want to speak at some length about efforts that are being made by the President of the Treasury Board (Mr. Johnston) to bring about regulatory control and reform. Before I go to that, however, I think it is important to mention that the process of regulatory reform in Canada is not one of so-called "deregulation"—getting the government off our backs, as we have seen take place in the United States. We have not looked upon this as a new political clout or a new way of dealing with things. What we are looking for is the creation of better regulation. We do not want to prejudge whether all regulation is good or bad; we want a better process for judging regulation.

My thesis today is that we have many ways of controlling regulation, the exercise of ministerial discretion, but that none of these controls of themselves is entirely adequate or appropriate to the present day realities in this House. I should like to examine some of the controls that are exercised over the exercise of ministerial discretion, and draw to the attention of members of the House a statement made by Mr. Justice Rand who, I believe, was Canada's foremost civil libertarian and its

greatest constitutional expert. In the famous case *Roncarelli v. Duplessis*, the late Mr. Justice Rand said that "there is no such thing as absolute and untrammelled discretion".

Our courts have a history of attempting to wrestle with the question of when they have a right to intervene and upset the exercise of discretion by a minister acting in his executive capacity. In a number of cases it is held that orders in council are not in the category of legislative action; that they are not in the area of an exercise of rule-making that broaches on the border of being judicial. When that exercise of discretion does not have a judicial character to it, basically the courts have held that that exercise was an administrative action or a legislative action and could not be reviewed by the courts.

In this country we have a hodge-podge of cases on this subject. Suffice it to say that the jurisprudence which has arisen has admitted of no easy answers. It is very difficult to determine when a court can intervene to exercise control over the exercise of ministerial discretion.

There are four conclusions that follow from these cases. First of all, there is no law which says that minimal procedural standards, such as the right to notice of a hearing and a hearing itself, are conditions precedent to the exercise of ministerial discretion.

Second, the cases indicate that it is very difficult to decide when a judicial review is or is not open to an individual who feels aggrieved by the exercise of that discretion.

Third, I do not believe that to take every case before a court is a proper solution; rather, I believe that we have to find ways to amend our procedures for dealing with the exercise of discretion so that as legislators we can exercise the type of control that we have a responsibility to our constituents to exercise.

This type of review of our executive decision-making of regulations is going to become even more important with the introduction in the not too distant future, I hope, of a bill of rights in the Charter of Rights and Freedoms. That charter will make all subordinate legislation subject to its terms and conditions to ensure that there are no discriminatory laws or regulations which impinge unfairly on Canadians.

What are the types of controls that are exercised, apart from judicial review which, as I have indicated, is not in my opinion an adequate, although proper, type of exercise of control over the exercise of ministerial discretion? There are others.

There is the work of the standing joint committee which reviews the legality of regulations. The only problem is that the committee cannot review the merits of regulations. I believe it is proper that members of the House should have an opportunity to review the merits of regulations before they become law or after they have become law, with a view to being able to comment on whether they are good for Canadians or bad for Canadians—whether they are cost effective or are the most effective regulations we could have.

Another way that our regulators are influenced—and all Members of Parliament are subject to this—is by lobbying. Each of us is subject to lobbying. I use that word not in the pejorative sense that it has acquired in many jurisdictions but in the most complete sense of lobbying, such as when a constituent comes to his or her member with a problem and says that the law should be changed. I think that is lobbying. We all know that lobbying is done on an extensive scale in Canada. People who represent institutions such as consumers' groups, farm groups, or business groups established in Ottawa, tell us that they want changes made to particular laws. I am concerned about some of the input that we receive. If we as regulators and lawmakers want to do our job effectively, then we need as much input as possible; but that input should come before we legislate and regulate.

There are some in our society who are not equipped to make their views know to us, in my opinion. It is very difficult for an individual to appear before a board that sets rates for telephones, for rail transportation or air passage. Very few consumers have the wherewithal to enable them to appear before government officials to try to convince them that prices should not increase in various areas. I therefore feel that we have to bring back together the collective public interest groups; those who do not have the funds to establish an office and a paid lobbyist in Ottawa to deal with us.

● (1710)

I believe we have on obligation to help bring together those collective grievances of small individuals who cannot otherwise deal with the issues. This would help us as legislators, on all sides of the House, more effectively to do our job as their wishes, views and alternatives would be known to us. This is why our task force on regulatory reform made a very strong and urgent plea that we introduce laws which will help, aid and abet public interest groups in their funding. The Consumers Association of Canada does an admirable job of appearing before many boards and committees; its biggest problem is not in deciding which hearings to attend, but in deciding how many hundreds every year it cannot attend because it does not have the funds at its disposal. There are similar examples of public interest groups.

Within the spirit of this motion before us dealing with the process by which regulations are enacted, I would therefore ask that hon. members from all sides of this House give greater consideration to the possibility of extended funding for public interest groups so that they can make their views known and legislators can have a balanced input to better do their job.

Another part of this process of having better, more effective regulations, of course, is access to information. We as individuals in this House know the importance of having access to information and full and complete information before we debate and decide upon an issue. This is why I urge the co-operation of hon. members opposite as the access to information bill proceeds through committee, so that we can get it before the House and get it passed. I believe it will have a significant impact in informing Canadians and helping us to inform ourselves.

Mr. Nielsen: You voted against it the other night.

Mr. Peterson: The hon. House leader has indicated that he has some hesitations, I understand, with proceeding apace with this type of legislation. The debate that we are having today relates to a report which was submitted last June and is before the House, and which we have had the benefit of reading. We have had a chance to formulate our opinions on whether we agree or disagree with it. What we are doing today is holding up the debate on another bill, Bill C-48. If every time one of these committees and task forces were to put a report before this House, we moved concurrence and then had to spend a number of days or hours of the time of this House debating it—

Mr. McDermid: That's a red herring and you know it.

Mr. Peterson: —we would not be able to present a full hearing on the issues before the House on a sequential matter.

Mr. McDermid: Nonsense.

Miss MacDonald: You don't think that VIA Rail is an urgent matter.

Mr. Peterson: The hon. member opposite has indicated that in my opinion VIA Rail is not an urgent matter.

Miss MacDonald: You said it.

Mr. Peterson: When the hon. House leader was so suspicious that we would want to cut off debate, the parliamentary secretary to the House leader assured him without hesitation, without flinching, that we were prepared to have a debate until ten o'clock tonight on this important issue. We are happy to do that, but let us not use this process, this House rule which is being followed today, as a future excuse to sidetrack debate just because there happens to be a report which has been tabled. We can swallow and choke on a process which has been started, one which is good for all sides of this House, if this type of process is abused in the future.

Mr. McDermid: Are you saying we are abusing it?

Mr. Peterson: We will not abuse it. We would hope that hon. members from the opposition would not use this process as an abuse in the future.

The major point that was made by the task force on regulatory reform was reiterated by the Economic Council, and was again reiterated by the standing joint committee in its report on regulations. I think the major issue was that governments must consult. Legislators must consult with their constituents and with effective public groups before regulations are passed. We believe that the private sector has a great role in helping us, as legislators, pass more cost-effective, responsive regulations. That type of consultation must go on, we believe, before channel vision takes place among our public servants.

The private sector, with the exception of public interest groups, has the facilities, the funds, the resources and the knowledge to enter into a collaborative effort with government to assist government in proposing and enacting better regulations. This is why we must ask ourselves, in conjunction with the private sector with which we must consult: What are the problems we are seeking to resolve? Is government intervention really necessary to resolve them? Are there alternative types of intervention which might offer better solutions? Will the costs of regulation and the costs of setting up a control mechanism outweigh the benefits that we hope to derive from it?

When we intervene with regulations, we must always ask ourselves: Who will be the winners and who will be the losers? We know that when we impose any type of burdensome regulation on one sector of society, be it business, consumers or whatever, another side will have to pay for it. To me, this is the clarion message which springs from the final report of the Economic Council. It looked at regulations in the transportation industry, and that is what we should be looking at. It looked at regulations in the agricultural industry and in a number of other industries, and it attempted to assess the costs. What were the costs of those regulations? Who was paying for them? In many cases, the council said that it was the consumer of Canada who was paying for regulation in those areas. I think that the report of the Economic Council of Canada will serve us well in the future, because we will hesitate to regulate until we have assessed the costs in advance.

When we attempt to impose controls on one group or another, we will ask: Who is the winner? Who is the loser? Are consumers really benefiting? Are individual Canadians really benefiting, or is it only one industry or one small segment? When we have answered those questions, we will then be able to regulate with much more clarity and precision.

I had the pleasure of yielding to the hon. member for Vegreville. I always benefit from listening to his views, although I do not always agree with his views. He mentioned a very important point. He said that it was never intended that Section 64 of the National Transportation Act should deal with the situation in which we find ourselves concerning VIA Rail.

As Your Honour is aware, Section 64 deals with the right of appeal from a decision of the Canadian Transport Commission to cabinet. The reason for the creation of the Transport Commission and the many boards and agencies that we have in so many areas was to take advantage of the collective expertise and wisdom which exists in a commision through which it can undertake a consultative process in measures and make those available to us. However, I profoundly believe that because a board has made a decision we, as the executive, legislative branch, are not relieved of political responsibility for that decision. That decision affects Canadians, and it is one to which I, as Member of Parliament for Willowdale, am held accountable to my electorate.

Therefore, I would not want to take away the power of cabinet, under Section 64 of the National Transportation Act to step in where it disagrees with a decision of a board or commission and to say, "You have considered this, but we have an alternative view." In the past we have done this. For example, I refer Your Honour to a case where a cabinet

overruled a decision of the CRTC on a Bell rate increase. We felt, in our political judgment, that the rate was excessive; therefore, we rolled it back.

Mr. Mazankowski: A timely decision, though.

Mr. Peterson: It was a timely decision. The hon. member for Vegreville has called for timeliness in these decisions. I cannot gainsay what he said, and I hope that he and hon. members opposite will work with us to find more timely ways of having boards and commissions make their decisions. In many cases we will have to beef up their membership. We have to ensure they provide efficient service to the Canadians they are intended to serve.

● (1720)

I give another example of where an appeal to cabinet from a decision of a board was critical. Eastern Provincial Airways was seeking from CPA the right, as a regional carrier, to have the run from Halifax to Toronto. Many members on the opposite side of the House pleaded with us to recognize the right of a small regional carrier. We as a cabinet—

Some hon. Members: Oh, oh!

Miss MacDonald: You don't want to be in any more trouble than you are.

Mr. Peterson: I excuse myself from that remark, of course. I am merely a very proud member of the Liberal party and a member of this side of the House. What we did was step in and exercise our responsibility.

We do not want to strip the CTC of this right to have its decision appealed to cabinet. Our executive branch is prepared to assume that responsibility and be held accountable by the people of Canada. I do not hear any members on that side of the House condemning either of those two decisions about which we were speaking. We want to keep that power, and whether there are differences among members of this House, let us not in our haste, because of a particular issue, do away with a principle that has served us well in the past and has served Canadians well.

As part of this process of having a good interrelationship between the legislative branch and boards and tribunals, which we created to help us with their expertise in specialized areas, we also need a concomitant right of the cabinet to provide input and political direction on a timely basis, as the hon. member has said, so that cabinet directives can go out indicating government direction and government policy to these boards and agencies. That is not political interference. Boards and agencies will welcome that type of political direction. In the extensive hearings before our committee we were told they wanted that type of input.

One of the major issues that we addressed, apart from prior consultation about the necessity of funding public interest groups before we regulate, and one of the most important fields where we feel that regulations can be made more cost effective and beneficial to Canadians as a whole, is in the area of creating parliamentary accountability. Our task force, as well as that as that of the joint standing committee and the economic council, indicated that parliamentarians had a paramount role to play in holding regulators accountable. This is why we called for the creation of a special task force which could deal with a review of regulations on their merit as well as the whole process of implementing regulatory reform. We want to see the day when committees from this House consisting of members from all sides can work in non-partisan fashion with expert staff and thus serve their constituents better by having the capability of dealing with regulations.

We do not want to create a roadblock in this House. We do not want committees to have the opportunity of holding up further the process of this House of Commons through technical rules, such as creating a debate on a report of every committee. We would be further hamstrung and, goodness knows, the Canadian public knows that we do not have the time in this House at present to deal at length with all the issues which we feel are of a pressing and urgent nature. We feel the House itself could be relieved of many of those responsibilities by adequately staffed, adequately equipped, small committees.

We are calling for committee reform of all the standing committees so that members can devote their expertise and time to probably one committee only. By doing this, members can get into the substance of matters. Political partisanship would never disappear but it would give way to enlightened consideration of the laws that we seek to implement for the good of all Canadians.

That is the type of process we have been talking about. Abusing the rules of this House will not permit us to get on with it. What I am happy so say, however, is that not only did our task force have the opinion, the opportunity and the consideration of hon. members who formed part of the standing joint committee, but we also had the benefit of their excellent work in the area of regulatory reform. Even though we tabled the report last December 19, we have not moved concurrence in it because we have had the assurance of our hon. House leader and the President of the Privy Council (Mr. Pinard) that the consideration of our report as well as other reports in this area were being taken into consideration and acted upon.

I am very proud to be a member of a government which, under the actions of our President of the Privy Council, has undertaken a 12-point program to implement the reforms of which we speak. We do not need to grandstand in this House to get our reforms implemented and considered, nor does the standing joint committee. Those reforms are being implemented and looked at.

I would like to refer the House to the 12 points of reform that have been implemented and are under review by the President of the Privy Council.

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

allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I listened with a great deal of interest to the hon. member for Willowdale (Mr. Peterson) for whom I have high regard. I almost came to believe some of the crocodile tears he was shedding about how he wants to reform the House and give all this power to individual members. That kind of stance would almost be believable if it were not for the fact that we are facing a government decision that, by his own admission, he probably supports and which will prevent the people of Canada from having a chance to appear before a regulatory body already in existence. I have never heard such nonsense in my life. If the hon. member is serious and sincere about this, I would be most interested to see how he votes, what his position is on the VIA Rail cutbacks and what kind of representation he has made to the Minister of Transport (Mr. Pepin) in this regard.

Mr. McDermid: He has a subway; he does not need VIA Rail.

Mr. Mayer: The hon. member made the point that the minister lucidly explained to the House today why these cutbacks will take place. I will leave it to members of the House and to members of the public who visited the galleries today to find out how lucid the minister was in his explanation for cutting off rail service which, in my part of the country, is being cut by half.

The hon. member went on to say that he was pleased to speak in this debate. I am pleased to speak in this debate too. That is all we are asking of the House, that members of the public who use VIA Rail and want to support it have an opportunity to speak. The appropriate place for them to speak is before the Canadian Transport Commission. If the hon. member is really sincere about everyone having an equal opportunity to speak in this country, he would be in favour of the CTC having a chance to look at this issue before the minister so violently guillotines the service. I am shocked that an hon. member would get up and sincerely make such fervent remarks about the process when what he is doing by supporting his government is doing the exact opposite.

The hon. member talked about discretionary powers, how they should be used and how the parliamentary process should not have to succumb to all the details of every decision made in Canada. That is precisely what the Canadian Transport Commission is for. Again, if the hon. member were serious he would realize that discretionary powers are there to be exercised by a regulatory body. In this case the regulatory body has sat twice on this issue and it has twice turned down the government. The government, probably because it suspected or knew that the same kind of decision would come again from the CTC, has decided not to ask. It simply proceeded on its own.

• (1730)

I find it unfortunate that the hon. member, who appears to be very sincere in his remarks, would by his actions, support the exact opposite. I suppose that is what we have come to expect of the government.

I also found interesting, but appalling, the fact that he referred to the parliamentary secretary to the government House leader as "not flinching" when our House leader got up and asked that we have some kind of assurance that this debate not be cut off. I would point out that last Thursday we had every reason to flinch on this side at what the government House leader, the President of the Privy Council (Mr. Pinard), said. I will quote from page 12016 of *Hansard*. This is what the government House leader said:

> So if the hon. member wants to discuss the report—

The report we are talking about is the one under discussion today.

> So if the hon. member wants to discuss the report, even if it is at the request of his committee, we shall have no alternative, as I have already explained to him and to the predecessor of the member for Yukon (Mr. Nielsen), but to introduce a motion either to adjourn the debate or to proceed with the orders of the day, so that the government can deal with its legislative program and priorities, as provided under the rules of the House.

That was a precise statement. If we were to attempt to talk about the report today, we would be cut off. It is not a case of the parliamentary secretary flinching, it is a case of the opposition flinching in the face of not having a chance to discuss it. As if that were not enough, Mr. Speaker, on the subsequent page the parliamentary secretary reported to have made two other specific references to the fact that we would not have a chance to discuss this. I would like to point that out to the member for Willowdale. It is not a question of the parliamentary secretary flinching and getting up in all innocence and telling us to go ahead and take the day to debate the report, it is a case of looking at the record and seeing what his House leader said last Thursday. That is why we governed ourselves the way we did.

Another statement made by the member for Willowdale which has to be corrected is when he made reference to the fact that there has been no discussions on VIA Rail and how it was to be set up at the time the $1 vote was put forth. That was before my time in the House but I am informed that the hon. member for Vegreville (Mr. Mazankowski), who subsequently served as a very distinguished minister of transport, moved an opposition motion questioning the kind of circumstances which led to the creation of VIA Rail.

An hon. Member: Read the quote.

Mr. Mayer: I will be happy to read the quote. It is also a pleasure to quote great Canadians.

The words of the hon. member, Mr. Speaker, are on page 4211 of the March 22, 1977 *Hansard*. He said:

Turning to Crown corporations, we take very grave objection to the establishment of a Crown corporation under the use of the dollar item, as in the case of VIA Rail Canada. Our concern is not with the substance, but with the method. While we may have some reservations about the principle of the establishment of VIA Rail Canada, that is not what is in issue at this time. It is the method which the government has employed to bring about the establishment of VIA Rail Canada. It authorizes the expenditures of up to $240 million—

That $240 million has gone out the window. It now is a factor several times that.

It authorizes the expenditures of up to $240 million under the provisions of both 52d, which can be found at page 120 of supplementary estimates D. This, in our view, is a major transportation policy decision and should be considered in this House in the form of a bill, rather than by back-door coercion. This action constitutes a clear contempt of Parliament which has to be of the most blatant degree. One might even question the politics of the establishment of VIA Rail Canada at this time, since the CTC is still in the process of studying the rail passenger service in this country and has not yet brought down its recommendation.

At least at that time under that government, they had the decency to let the CTC hold some hearings. That has not been the case to date, Mr. Speaker.

I do have a high regard for the hon. member for Willowdale, but I cannot let him off the hook. He quoted numerous jurists and their impact on Canadian political life and the way Canadians are governed. I submit, Mr. Speaker, that Canadians are not interested in the rhetoric of jurists. They are interested in service, Canadians pay a lot of taxes and, I suggest, that they have a right to expect service back from those taxes. They also have a right to express their views about something as basic as transportation in this country. Transportation is a very important issue to maritimers and western Canadians. We have a sparce population spread out over a great distance in those regions. I suggest that the Canadian people are shortchanged when the minister arbitrarily cuts services—the hon. member for Carleton-Charlotte (Mr. McCain) called it cutting the heart out of New Brunswick—without having the decency to let the people have any input into the question.

The hon. member for Willowdale also talked about our holding up the process. He said that we do not have the time to deal with all the issues in the House. That is precisely the point. That is why the CTC is in existence, so we can refer some of the issues of the day to these regulatory bodies. The hon. member cannot have it both ways. He cannot accuse the opposition of holding up the process, because we do not want to hold up the process. We want the matter referred to the proper regulatory body, which is the CTC.

Mr. Dionne (Northumberland-Miramichi): Why did you not do that in the first place?

Mr. Mayer: The distinguished chairman of our Standing Committee on Transport is making some noises over in the corner. He talks about returning the matter to the committee. That is an extremely good point. The minister said he would like to appear in front of the committee. I think the chairman of the committee would agree that there is no point in having the minister appear in front of the committee after November 15 when VIA is shut down.

An hon. Member: He said it would not make any difference.

Mr. Mayer: Exactly. The minister said if he did appear in front of the committee, it would not make a lot of difference. If the minister appears in front of the committee after November 15, there is no point in his telling us why the service is terminated, because it will be gone already. It is like closing the barn door after the horse is gone. It is a waste of time and, I submit, an affront to the committee and the hon. member who chairs it. I would like to ask the chairman of the committee to give us some assurance that he will use whatever office and influence he has to ask the minister to appear in front of the committee before November 15. The committee would then have some kind of commitment with regard to accountability. It would have the ability to make decisions. Those of us in the opposition, and I am sure the NDP would agree, would be in favour of that.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order in response to the comments made by the member for Portage-Marquette (Mr. Mayer) with regard to the deadline for the VIA Rail cutbacks. There is not much point in the committee discussing it after November 15.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Portage-Marquette (Mr. Mayer).

Mr. Mayer: I am pleased to know that the chairman of the committee agrees with the statement.

I would like to discuss some of the concerns expressed to me by my constituents as a result of the announcement of July 27. There has always been friction between my part of the country and central Canada because our population is in the minority. Several constituents have approached me and suggested that the reason for the cutbacks was that obviously there was not enough money to go around, that if anyone was to be shortchanged it would not be the central part of the country but the west or the maritimes, and that the real reason for the cutbacks was not necessarily that the government wanted to save money but that it wanted to provide better service to central Canada, Ontario and Quebec, on the Quebec City to Windsor corridor.

• (1740)

Evidence of this was pointed out to me. It is, as we know by the minister's admission, that the new light, rapid and comfortable trains which are coming onstream—they will be delayed by a month which, in some cases, is understandable—will not be used in western Canada. This was pointed out as an example of how the cutbacks would hurt my part of the country and benefit the central part. I am sure maritime members would relate it to their part of the country. To some extent I am guilty of the same kind of prejudice, but what really is the case is that all parts of the country will be affected, not only the west and the maritimes but also the central part of the country. It seems to me that that is shortchanging Canadians and pitting Canadian against Canadian unnecessarily.

If the Canadian Transport Commission had been given a mandate to hold hearings and had travelled across the country and heard Canadians' complaints, as did the task force our party set up, this would have become very much more obvious, and I think the media, including the press, would have picked up the fact that cutbacks were occurring right across the country. Canadians would have had a better chance to understand why these cuts were taking place, and they would have had less reason to blame other parts of the country for their own deprivation as far as rail passenger service is concerned. I think that is a very important point as far as national unity is concerned at this time. I do not think we need to do anything that in any way suggests that one part of the country is benefiting at the expense of another. Yet by not holding hearings, that is precisely what this government is allowing to happen.

As I said, I think to some extent I am as guilty as others. I appeared before the task force when it held its hearings in Winnipeg and made statements to that effect. I was very quickly corrected. I realize that was a bad mistake on my part, but again I say that the process by which this decision was reached lends itself to that kind of misinformation. That does not do any of us in this country a service. I think that is a very important reason, if there is no other reason, that the government should have given the Canadian Transport Commission a mandate to hold hearings and to talk about why rail passenger service had to be cut as far as some parts of the country are concerned. I put that out because I have not heard anyone else make that point. I think it is a very valid point which needs to be made, emphasized and understood by the government.

Many points have been made by my constituents, one of them being that my constituents did not think VIA Rail had been in existence long enough to develop the kind of usage it needed in order to be viable. Many people told me that they would be willing to pay considerably more—some people said two times or even three times as much as the present fare structure—if they could have a chance to have the service maintained. I suppose it is easy for people to say that if they think the service will be discontinued. I suppose it is easy to say that they would be willing to pay more because they know, at least by all intents, that the service will not be there and that their bluff with respect to paying more will not be called. However, the point is that they were not given that kind of opportunity.

I and many of my constituents would like to have seen VIA Rail management come out and say the service was losing money and needed a year or two in which to try a new marketing policy and would increase fares in order to cut some of its losses. If, after a period of new management and new ideas with respect to increasing revenues, VIA was still in the hole and thought it could save the $100 million to which the minister refers, then the cuts could be made. In that case people would have felt better. They would have known that they had had a chance to support the service. If, after a year or two, or whatever the appropriate time would be, the service was still losing money, the people would have known that they had had a chance and that there was not enough activity to support the level of passenger service which there had been in the past.

When we consider the routes which were abandoned, we really have to question why some of the decisions were made. The trip from Winnipeg to Vancouver takes one through Portage la Prairie, Brandon, Regina and Calgary. That is the main line of the CPR. It parallels the Trans-Canada highway to a large extent. On a good highway like the Trans-Canada there is obviously good bus service and good highway service. That implies that people who are close to that highway are able to travel.

An hon. Member: They have options.

Mr. Mayer: Exactly, but that was not the route that was abandoned. The government abandoned the CN route which, beyond Portage la Prairie, goes through areas which are not at all close to a good highway, and those areas are left virtually without service. The valid question posed to me is that if the government is going to abandon one of the trans-continental routes, why not the CP route? After all, CP is the company which has done everything it could in the last 15 years to discourage passenger service. At least over the past 15 years CN has tried something. CN had its "red, white and blue days." It has tried to attract people to its trains, yet the CN route is the one which will be abandoned after November 15.

Mr. McDermid: They will be black and blue days.

Mr. Mayer: My friend, the hon. member for Brampton-Georgetown (Mr. McDermid), points out that the days will not be red, white and blue any more; they will be black and blue as far as the citizens of the country are concerned. The citizens are being abused in relation to the transportation services they have been used to.

Once we get away from the proper process—I argue very strongly that doing so is detrimental in many ways—we really have to question why the decision was made the way it was. That leads me back to the process. If we had gone through the proper process which, I argue, is by way of the CTC, we would have had a chance to see some of the alternatives which perhaps might have worked. We probably would have had a chance to arrive at a better decision on providing transportation for Canadians.

The hon. member for Willowdale stood up and piously talked about all the good things he wants to see in terms of reform of the House of Commons, but at the same time he supported a blatant cut in service which he and his government have a chance to refer to the CTC. How somebody can be so sincere and yet so inconsistent just boggles the mind.

Another great concern to Canadians is that abandoning a service such as this cannot be done properly in four or five months. We had a chance to speak to the bus industry when the Transport Committee travelled to the province of Quebec in the month of September. Representatives of that industry pointed out to us that VIA Rail held absolutely no consulta-

tions with the bus industry. To a large extent, the bus industry of Canada pays its own way. Hon. members can argue about the subsidies which accrue to the bus industry through taxes to finance highways, but the industry does not receive any of the direct subsidies that VIA Rail receives.

VIA Rail has talked about the number of passengers it carries increasing but, when we consider the way people in Canada travel, it becomes obvious that the major portion of this increase in the number of passengers will be people who use buses. The bus industry has cross-subsidization. The industry makes money on some of its main routes, such as the Quebec City-Windsor route, and uses that money to operate routes to smaller towns. I understand that Ontario and Quebec are the best examples of provinces where that cross-subsidization occurs. The bus industry is saying that if we take away its main revenue generating routes by attracting passengers to the Quebec City-Windsor rail route, there will not be enough money to support some of the routes on which the bus industry is losing, those routes being to smaller centres in Ontario and Quebec.

That does not do anything in terms of providing increased transportation for Canadians. Even if the government has decided to abandon many rail passenger routes, it would make good sense to do it over a period of a year or two so that the bus industry will have a chance to gear up to take some of the additional passengers who previously travelled by rail.

The bus companies point out very correctly that they cannot go out and buy buses in the same way one goes to a corner store to buy a quart of milk. It is a major expenditure to buy a bus to provide additional service. Bus companies need time in which to do this. By acting arbitrarily and on such short notice, the government has shown that it has no sensitivity or any feeling at all with respect to the demands which will be made on the bus industry.

An hon. Member: The government does not care.

Mr. Mayer: Furthermore, I suppose the lesson in this is that the government does not care.

In my province the railways were the real reason for the coming into existence of many small communities. That happened about 100 years ago. During the summers of 1982 and 1983 there will be celebrations in many large and small communities. Brandon, a city of 40,000, will have its one hundredth anniversary very soon. Those communities came into existence because of the railroads. Without them they would not be in existence. It has been pointed out to me many times that it is ironic that this government is taking part in those celebrations by removing the rail service. Many people resent that. They resent the fact that the rail service will be gone, but they resent just as much the fact that it will be gone without any reference to the proper regulatory body, that being the Canadian Transport Commission. I fail to understand why the government is so afraid of referring this whole matter to the Canadian Transport Commission. This brings me back to the motion before us this afternoon. I think everyone agrees it would make a lot of sense to have a VIA Rail act.

• (1750)

We have a Crown corporation spending literally hundreds of millions of dollars. It is committed to spending those dollars each succeeding year over a number of years. I suppose it really amounts to billions of dollars over a period of a few years.

I cannot understand why we do not have a VIA Rail act which sets out the objectives of VIA Rail, what it hopes to accomplish, the mandate it should have, and how the government should assist it in performing that mandate or whether the government expects VIA Rail to finance itself totally from the marketplace.

We do not have that kind of act. The minister says he has a draft of the act. It is a major operation for any government department to draft an act. It is a complete waste of the time of the bureaucracy to have an act in some kind of preliminary draft and not be willing to bring the act before the House of Commons where we can properly debate and develop it.

The chairman of VIA Rail is in favour of a VIA Rail act. I would be surprised if either of the railroads was against it. We would know then where we stand in terms of passenger service for this country. VIA Rail would have a yardstick against which to measure its performance. It would know what kind of mandate it had from this government and this Parliament. However, the government is very reluctant to do that.

We talk about energy costs. We just reached an energy-pricing agreement in this country that will double gasoline and diesel fuel prices in the next three or four years. We do not know whether two or three years down the road energy prices will be so steep that people will leave their private automobiles, buses and airlines for the efficiency of a train.

The hon. member for Vegreville spoke of this earlier. I do not want to belabour it, but it is a point worth repeating. Until we have a definite idea of the efficiency of railroads in terms of energy use in moving a person one mile or 100 miles, we do not know whether or not we are getting rid of a very efficient method of moving people in this country.

In western Canada the distances are very great. Therefore, in many cases the people have become accustomed to using the railroad and have become dependent on it. I was in St. Lazare the day after the cut there was announced. It is a small community of 300 or 400 people. VIA Rail stopped there. I spoke to some of the merchants in St. Lazare. They told me that people came regularly from 100 miles away to get the train for Vancouver or eastern Canada. If the rail service there is removed, these people will have to drive another 100 miles to reach the railroad. That community will be hurt as far as attracting business is concerned.

Within the past two or three years, a station was built there which has the proprer facilities for handling passengers. If the passenger service is taken away, that facility will be of no use. It makes no sense to abandon on November 15 what the

minister is proposing without hearing the complaints and concerns of the people there.

Another valid suggestion made to me was that rather than remove the whole service from the northern route, the CN route, it should be alternated, one day on the CP line through Regina and Calgary and the other day through Saskatoon and Edmonton. It will still be necessary to maintain the stations in Edmonton and Saskatoon. We are told that there will still be service between Winnipeg and Saskatoon but it will be diverted through Regina. Therefore, we must still maintain the stations. Why not have alternate service? I wonder why the government has not considered some of these matters.

In closing, I very much hope that this motion will be adopted today. We will see how sincere the pious words of the hon. member for Willowdale are when he votes on the motion, or whether the government will decide it should be talked out. I wonder whether the reason we are having this debate is that the government does not have enough members here to win the vote and therefore it is afraid of a vote. Perhaps that is why we are being given this opportunity to debate VIA Rail. For whatever reason, and maybe it is the only reason, we are pleased to have this debate. I hope the government will concur in this motion and bring forth a VIA Rail act very soon so that VIA Rail will have a proper mandate and will not only provide but increase passenger service to Canadians.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. In order to enable as many members as possible from all sides of the House to participate in the debate, I wonder if there might be a disposition, after the next hon. member has spoken, to limit the debate to 20 minutes per speaker.

The Acting Speaker (Mr. Ethier): The hon. member for Argenteuil-Papineau (Mr. Gourd).

Mr. Nielsen: Mr. Speaker, I wonder if you would put that suggestion to the House.

The Acting Speaker (Mr. Ethier): I saw no one responding to that suggestion. That is why I recognized the hon. member. Is the suggestion by the hon. member for Yukon (Mr. Nielsen) agreeable to all hon. members?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is agreed, and so ordered, that speeches will be limited to 20 minutes after the speech by the hon. member for Argenteuil-Papineau.

[*Translation*]

Mr. Robert Gourd (Argenteuil-Papineau): Mr. Speaker, this is the second time in a week that I am speaking in the House on a subject which, as you know, is very dear to me. I see that I have only a few minutes left before six o'clock, and I would like to read into the record some resolutions I received from my constituency of Argenteuil-Papineau. I am going to quote part of the minutes of the Papineau county council meeting held on September 8, 1981, Resolution No. 6476:

Regulations and other Statutory Instruments

It is moved, seconded and resolved unanimously that the Papineau county council fully support the position taken by the member for Argenteuil-Papineau regarding the abandonment by the Department of Transport of the passenger train between Ottawa to Montreal via Lachute.

This resolution was passed, certified true copy, on September 10.

Mr. Speaker, I should also like to add the municipal corporation of Lac Simon:

That the municipal council of Lac Simon request the Minister of Transport to maintain VIA Rail services between Hull, Lachute and Montreal to serve the needs of the population which suffers from a lack of transportation.

There is also a resolution from Amherst township, I am not going to read all these but I shall table them, Mr. Speaker: a resolution from the municipality of Chénéville; a resolution from the municipality of Duhamel; a resolution from Lochaber township; a resolution from the municipal corporation of Lochaber township, western section; a resolution from the municipality of Montpellier; a resolution—

The Acting Speaker (Mr. Ethier): Order please! Since it is now 6 p.m., I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order please. When the House rose at 6 p.m., the hon. member for Argenteuil-Papineau had the floor.

Mr. Gourd: Mr. Speaker, when the Chair called it six o'clock, I was giving a list of municipalities in the riding of Argenteuil-Papineau which sent me resolutions against the minister's decision to do away with services in my riding. I shall therefore continue reading this list of municipalities which on no account want the VIA Rail service on the north shore of the Ottawa River, that is, in the riding of Argenteuil-Papineau, to be abolished, and I quote:

The parish of Notre-Dame-de-la-Paix, the municipality of Notre-Dame-de-la-Paix, the village of Papineauville, the municipality of the Ripon township, the corporation of Val-des-Bois, the municipality of the united townships of Suffolk and Addington, the municipality of Vinois, the corporation of Papineau county, the Outaouais Regional Development Council, the corporation of the village of Montebello, the parish of Montebello, the corporation of the village of Saint-André-Avellin and the parish of Saint-André-Avellin, the municipality of Plaisance, the village of Saint-André-Est, the municipality of Argenteuil county, the municipal corporation of Argenteuil county, the municipality of Lac Simon, the residents of Calumet, the municipal corporation of Grenville township, the municipality of Grenville, the parish of Grenville.

So, Mr. Speaker, this is a list of municipalities representing people of my riding, and this does not include all the letters I received from constituents who cannot believe the minister

would make such a decision at this time. Today, I was looking up in parliamentary records what a member of this House, the member for Chapleau, said in 1946 during the throne speech debate, on March 26, 1946. The member, Mr. Speaker, who happened to be my grandfather, said, and I quote:

In passing, I take the occasion of suggesting to the directors of the Canadian National Railways that it is high time to improve the railway line which runs through our district if they want to furnish travellers with suitable means of transportation as well as take care of the shipping demand arising from the various products I have just listed.

Strangely enough, Mr. Speaker, 35 years later, I seem to be in the same situation as my grandfather who was then member for Chapleau, and I could quote a number of speeches where he fought against exactly the same problem I am faced with today, that is, changes in the system of transportation in my riding. Last week, my colleague, the member for La Prairie (Mr. Deniger) told the House that what they were doing was cutting off deadwood to make the tree more vigorous. Well, I would like to say to my hon. colleague that what they are doing is cutting the roots, and then there will be no tree, no essential transportation service—the keyword is essential—left for the people. We have heard opposition members mainly the transport critic, and where was this same transport critic when the opposition was in power?

I am convinced that the department is now continuing a policy which was probably initiated by our opponents. With his leader, the former Minister of Transport was probably much too busy moving embassies around to be concerned with flights from Dorval to Mirabel. He probably initiated the policy that the department is now implementing. I am against this policy, Mr. Speaker, and as the various statements and resolutions that I have mentioned show, the people are not only behind me, but also with me, and support my work in this House.

Yesterday, I held a meeting of the Association in my constituency. About 100 people came to tell me that to cut back a service which is essential to an aging population—I do not want to repeat the speech that I made last week, Mr. Speaker, but I believe that this service can simply not disappear. I therefore ask the minister, through you, to please review this policy and, if possible, not to abandon completely the service in the constituency of Argenteuil-Papineau, but perhaps simply reduce it. I believe that even this will satisfy the population.

I am convinced, Mr. Speaker, that it would be to the advantage of VIA Rail to re-examine its evaluation policy. I am convinced, Mr. Speaker, that it would be to its advantage at the very least to consult the people to know what are the best times to travel in the constituency. I have received the following telegram, which is self-explanatory:

Dear Sir,

In accordance with the proposal sent to you by the Laurentian region on October 16, 1981, concerning the maintenance and improvement of the passenger services on . . . the Montreal-Lachute-Ottawa line. The Association touristique des Laurentides and the Conseil régional de développement des Laurentides ask all of you . . . to support the motion . . . introduced—

—by my colleague from Regina West (Mr. Benjamin). I replied of course, that if it had carried, this motion would have resulted in the fall of the government. This is why I had to support the government. Mr. Speaker, groups such as those and such as the Conseil régional de développement de l'Outaouais, and telegrams such as this one from the Canadian Railway Labour Association:

● (2010)

[*English*]

The Canadian Railway Labour Association on behalf of all railway workers in Canada particularly the members of the CBRT and GW urges you to support the Conservative motion concerning the proposed VIA Rail cutbacks.

[*Translation*]

Well, I am saying to those groups that their lobby, much like today's, that is forcing Canadians to pay for travelling expenses—I suggest that the official opposition could have used another much more effective means.

Mr. Kilgour: You are an idiot!

Mr. Gourd: I realize that my colleague opposite is using a language which is not altogether parliamentary, but since he does not have full command of Molière's language I will disregard that accusation.

As I was saying, Mr. Speaker, to my mind it is quite normal that, 35 years after another one, a member stands up in the House to fight against exactly the same thing as did my grandfather, then member for Chapleau, in the debate in reply to the Speech from the Throne on March 20, 1946. It will be impossible for me to repeat it often enough, Mr. Speaker, and I am now asking myself this question: Is it true that the more things change the more they remain the same? I see that the opposition is resorting to more or less effective means. Again I repeat that it is false to say that Liberal members on this side have been gagged. I have not been gagged and I was very severe and very hard with a minister of my government. But, Mr. Speaker, I am convinced that within the near future the minister will review his policy and then formally deny all the allegations made by the opposition. As I was saying, I fail to understand why the minister should have implemented that policy. Rather I believed that the transport critic, the former minister, was the instigator of that policy.

There is another phenomenon, Mr. Speaker, and I refer to the transfer of flights from Dorval to Mirabel. I said last week that we have waited much too long in that field. We are now letting the situation go to pot and if it is not quickly corrected everything will have been damaged beyond repair. Mr. Speaker, it is urgent that the Department of Transport make a decision about transferring flights from Dorval to Mirabel so as to prevent what is called Canada's largest airport from becoming a huge white elephant. True enough, it is now a huge white elephant, but I am convinced that with the good will of the government we will soon have the largest airport in

Canada, one which was built by a Liberal government and which will be developed by a Liberal government.

Where was the former Minister of Transport? They were too concerned, during their short stay in power, as I said earlier, with moving embassies around to make decisions about the Department of Transport.

An hon. Member: And where were you?

Mr. Gourd: I think the opposition is waking up. Mr. Speaker, I challenge the former minister of transport to run against me in my riding, then we shall see who will find himself without a seat. Mr. Speaker, the opposition members can demand their rights all they want, I think Liberal members and several of my colleagues would say the same thing were they to rise in this debate.

I am sure, Mr. Speaker, that the minister will review his position and that the people of Argenteuil will have a new train service. I am sure, Mr. Speaker, in view of all the facts I put forward, of the support of municipalities—

I am certain the government will not let the people down, that it will have to do something for the only remaining railway line in the Ottawa Valley, for the only rail service on the Quebec North Shore, and therefore I ask, once again, through you, Mr. Speaker, that a review be undertaken, or that at least hearings be held so that the people can be heard.

I thank you, Mr. Speaker, for the opportunity to take part in this debate, and I can assure you that I will give the people of my riding cause to be satisfied with the work done by their Member of Parliament.

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I notice that the Minister of Transport (Mr. Pepin) is in his seat for the first time during this debate today. If he is—

Mr. Deputy Speaker: Order, please. The hon. member so far is not making a point of order.

Mr. Nielsen: Mr. Speaker, if the Chair will be patient and listen beyond half a sentence, the point of order will become clear. If the Minister of Transport is prepared, on behalf of the government, to agree to concurrence in this motion, we on this side are prepared to terminate the debate in order that we can get on with government business.

Mr. Deputy Speaker: Order, please. Matters such as these are subject to discussion through ordinary channels with the House leaders. The hon. member does not have a point of order. The hon. member for Regina West (Mr. Benjamin).

● (2020)

Mr. Nielsen: Mr. Speaker, it has long been the practice in the House for positions to be submitted to the government in order to give it an opportunity to accept or reject them.

Mr. Deputy Speaker: The hon. member for Regina West (Mr. Benjamin) has the floor.

Mr. Les Benjamin (Regina West): Mr. Speaker, I see that the Minister of Transport (Mr. Pepin) is now in the House and I know that he has had a busy day but I hope that he will take part in the debate between now and ten o'clock tonight.

I support the motion for concurrence in the seventh report of the Standing Joint Committee on Regulations and Other Statutory Instruments, which is an all-party report from both Houses. I want to deal with the major part of paragraph 4 of the report and some parts of paragraph 5. First of all, I should like to thank the regular members of the committee and the co-chairmen for the courtesy they showed in hearing me out and accepting my suggestion for an amendment to the report when it was being discussed.

In paragraph 4 of the report, the following statement appears:

> In your committee's judgment, the settling of the legal regime to govern the now publicly owned, controlled and funded railway passenger service is too important a matter to be left to the corporate policy, and virtually unlimited corporate powers, of VIA Rail Canada Inc., a corporation wholly owned by the Crown, and to skeletal regulations made under a dollar vote which in the nature of procedure in the House of Commons cannot have been subjected to significant debate. Parliament should have been, and still should be, given the opportunity to debate the future and structure of railway passenger services in Canada and the manner of their management and control—

I want to thank the committee again for accepting my representation. The paragraph continues:

> —and your committee is inclined to believe that this should include the maintenance of the jurisdiction of the Canadian Transport Commission over VIA Rail Canada.

The order in council that the minister used to wipe out these passenger routes, overrides and reverses 15 decisions of the Canadian Transport Commission, which ordered that those 15 routes be retained. In paragraph 5 of the report there appears the following:

> It may be that your committee has been too patient in seeking assurances from the Minister of Transport that a bill to regularize VIA Rail Canada Inc.'s activities and powers would be introduced. Indications of the preparation of such a bill were received but lately it has become apparent that legislative action has become a retreating vision.

I invite you, Mr. Speaker, and all hon. members to read the exchange of letters between the minister and the co-chairmen of the committee. His first two responses were to the effect, "It is coming any day". The last response was that it did not seem to be needed nor was it necessary at the moment. This report was unanimously adopted by all parties in both Houses of Parliament, so it is not to be taken lightly.

Under the program proposed by the minister and his bureaucrats, the 99.8 per cent sold-out sleeping cars of the Canadian Pacific's "Canadian" run will offer the only full service train across Canada to the west coast, and the 99.5 per cent sold-out sleeping car accommodation on the CNR Supercontinental will be chopped. This is using data issued in July, 1981. In fact, what will remain will be a partial "day at a time" coach or dayliner, with no service offered, on the most heavily patronized part of the Supercontinental route, the Edmonton-Jasper-Vancouver portion. A dayliner will be run from Winnipeg to Regina and up to Saskatoon, and it is

suggested that one will be run from Saskatoon to Edmonton. That is supposed to be some kind of alternative.

Before the supper hour, the hon. member for Willowdale (Mr. Peterson) spoke about the abuse of the rules when the opposition moves concurrence of a report of a committee of the House. I do not have the exact figures here but I have talked to some colleagues and to the hon. member for Yukon (Mr. Nielsen) and it appears that out of 103 or 105 or 107 reports submitted to this House, the opposition has moved concurrence in three. If that is an abuse, then surely it is drawing a long bow. In fact, it could reasonably be claimed by members of the government that the opposition has been derelict in its duty in not calling for concurrence of more reports. I think there have been a number of times when we should have and did not. There is no one in this government or in previous ones, no matter which party was in power, who can claim that the opposition overuses or abuses the procedure of calling for concurrence of a committee report or calling for a debate. They cannot have it both ways, Mr. Speaker.

I want to go on now to another area which concerns respect for, regard of, consideration of and consultation with the statutes of legislatures in Canada. Where does the hon. member for London East (Mr. Turner) stand on this whole issue? Where does the hon. member for Chicoutimi (Mr. Dionne), the hon. member for Moncton (Mr. McCauley) or the hon. member who just spoke, stand on it? There are at least 21 members on the government side, and if all of them told the minister that he had to change his decision or they would not support him, then the minister would have to do that. Would they be willing to do this at their Wednesday caucus? The remedy does not lie in the hands of the opposition, Mr. Speaker.

Scores of people came here today from Atlantic Canada and western Canada to plead with the minister but he turned them down. In total, those people represent something like three million Canadians. The person who came from the city council of Edmonton had been instructed on behalf of that council, which represents over half a million people. The mayor of the town of Melville was also instructed; he represents 6,000 people. The three score or four score or five score people who came here today did not come as a mass delegation; they came as instructed delegates, representatives of over three million Canadians, to ask the Minister of Transport to reconsider, to delay, if not to rescind, this order. They ask that for a number of reasons and I want to cite some of these reasons, which I hope the minister and his legal counsel will consider. I want to ask the hon. member for Argenteuil-Papineau (Mr. Gourd) who just spoke whether he would care to check the statutes of the province of Quebec—of 1882, would you believe? That was an agreement between the government of Quebec of that day and what was then called the Quebec, Montreal, Ottawa and Occidental Railway Company. When Canadian Pacific took over that route in 1882, the Quebec statute stated:

● (2030)

The said Canadian Pacific Railway hereby bind themselves to maintain the said road in good repair, and to run the same regularly and efficiently with a sufficient number of trains every day to carry the freight and passenger traffic with due regularity and despatch, running at least one passenger train every day each way.

I hope the hon. member for London East will have something to say about this statutory obligation in the Quebec statutes. It was assumed by Canadian Pacific and subsequently assumed by VIA Rail.

Let us turn to British Columbia. The British Columbia statutes of 1910 related to the Canadian Northern Railway. In return for certain acreages of land and timber rights, the Canadian Northern agreed to certain conditions required by statute in British Columbia. I quote from page 1910 of the Canadian Northern Agreement as follows:

The Northern Company agrees that the Pacific Company will, from and after the completion of the mainland line . . . cause to be maintained, a regular daily first-class passenger and freight service between a harbour at or near the city of Victoria and the system of the Northern Company lying to the east of the province of British Columbia—

What is meant is that the line which runs from Vancouver to Jasper was agreed to in 1910 and was to be maintained as a daily, first-class passenger service. Canadian Northern went bankrupt in spite of all the acreage and timber rights it had. It was taken over by Canadian National in 1919 or 1920.

The Canadian National Railways Act in no way obviates the statutes of British Columbia in 1910. In fact, Canadian National assumed the statutory obligation of Canadian Northern to run a daily passenger train between Vancouver and Jasper. Surely it follows quite logically that VIA Rail, established to bail CP and CN out of their legal liabilities for hauling people, also assumed that statutory obligation.

If the provincial statutes are not sufficient to convince the Minister of Transport and his cabinet colleagues, let us look at federal statutes. Section 12 of the federal statute of 1890 relating to the Montreal and Western Railway Company stated:

The Pacific Company—

That means CPR.

—will, during the said term, provide and run over the said railway duly equipped trains for the carriage of passengers and freight as frequently as shall be necessary for the traffic of the country—

It goes on to state:

—the Pacific Company will run during summer months at least one train carrying passengers each way on every business day; and during the rest of the year at least one such train one way on every business day;—

That is the federal statute of 1890, chapter 67, relating to the line that the Minister of Transport has ordered abandoned, running from Montreal to Hull and Ottawa.

Of course, there is a clause in the National Transportation Act that says the minister can amend, vary or rescind an order of the Canadian Transport Commission.

Mr. Blenkarn: That's right, but not the statutes.

Mr. Benjamin: That is in there for an excellent reason. When the National Transportation Act was passed in 1966-67, the tradition in those days was that the CTC, the old board of railway commissioners, only held a hearing at the request of

the railroads or the government, and the public be damned. The public could not get a hearing. The Parliament of that day, and hon. members on all sides of the House said, "In a case where the CTC does not pay any attention to the public or does not even give them a chance, we want some way in which the government of the day could overrule it on behalf of the public interest." Section 64 was then put in the act. The desire of Parliament and the public was for the section to be used in that limited manner.

Subsequent to that passage of legislation, various ministers of transport have used that section to rescind, vary, modify or amend one decision of the CTC, which is only relatively recent, being six months old or a year old. However, this minister is not only taking the chicken out of the coop but has stolen the whole coop. He has rescinded 15 orders of the Canadian Transport Commission, the oldest of which goes back to 1975 or 1976.

Mr. Mazankowski: Shame!

Mr. Benjamin: I defy the minister or anyone else to try to maintain in this Parliament that that was the intent of Parliament or that it was the spirit of the legislation. Therefore, the minister has flown in the face of statutory requirements of two provinces that we have been able to dig up so far—and we are going back into some more stuff—and one statute of the federal Parliament of Canada, and has violated the spirit and the intent of the National Transportation Act, namely, Section 64, upon which he relies. Not even his predecessor, who had a lot of gall, would have had the gall to do this.

Mr. Epp: Who was he?

Mr. Benjamin: In fact, he is making the former minister of transport, Otto Lang, look good.

The minister is lecturing us today about the romantics who want to talk about keeping railway passenger trains. I want to tell the minister that there happen to be a few people around this country who know a lot more about public transportation than he will ever know. I want to tell the minister that he had better start listening to those people. If he does not want to listen to them, perhaps he can listen to people from other countries in the world who know a lot more about it than he does.

It is the wrong decision. It is wrong in terms of transportation economics, it is wrong in terms of transportation efficiency, it is wrong in terms of safety, it is wrong in terms of the environment, and it is wrong in terms of the trend all over the industrialized world, and even in some underdeveloped countries. In fact, Your Honour may have noticed an article in the paper the other day which stated that the CPR received a $54 million contract to build a railroad in Malaysia. Why do we not give it one to rebuild the railroad in Canada?

This report must be concurred in. I congratulate the committee. I hope, and I have reason to believe, that in a subsequent report the committee will come up with even better arguments than it has in this one, and the ones it has in this one are excellent. I hope the House will concur in this report. I hope the minister will have the courage to rise and agree that if it should not be rescinded, at least the decision he has made should be substantially delayed, and we will bless him for it.

Mr. Deputy Speaker: I regret to interrupt the hon. member but the time allotted to him has expired.

● (2040)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I was very interested to listen to the hon. member for Argenteuil-Papineau (Mr. Gourd). He talked about his grandfather who had made a representation in 1946 to the Government of Canada that it was backing away from civic responsibility in the provision of rail and passenger service. Today the grandson, the hon. member for Argenteuil-Papineau, is making representations on behalf of his own constituents along the same line. I sincerely hope he will have the success he deserves because he voted for the cancellation of the present services and against the delay of that order of cabinet passed so highhandedly and without consideration of the needs of people.

The hon. member accused us of being rather partisan in our presentation. I want to tell you, Mr. Speaker, as I am sure you know, that the motion was not a motion of non-confidence when we introduced it for discussion last week. It was clearly stated by us and by the New Democratic Party that we would be happy to allow with unanimous consent, that it was not a motion of non-confidence. We have had enough drivel and lip service from Liberals. Let us level with our constituents for a change instead of trying to whip-saw both sides of the issues, one against the other.

I was pretty impressed by the speech made by hon. member for Willowdale (Mr. Peterson) this afternoon. He made a great speech on behalf of more definitive legislation and less regulation. He stated in his high-toned speech that yes, the minister was justified in exercising ministerial authority over and above traditional and historic practice and the intention of the National Transportation Act to cancel 20 per cent of VIA Rail. You cannot have it coming and going and at the same time be sincere. I ask to the hon. member, which way does he want it? Does he want regulation; does he want ministerial authority? I ask him again, which one does he want? Does he want government by legislation, regulation or ministerial authority? It cannot be both ways. I wonder how the hon. member for Willowdale will vote on Bill C-48. After the sanctimonious speech he made, he sort of backed himself into a corner by saying that he could not vote for Bill C-48 because, in effect, it is a bill of regulation and an extension of government athority to ministerial discretion. Which way is the hon. member going to go? If he called himself a liar, it would not be out of order, would it?

Some hon. Members: Oh, oh!

Mr. McCain: I shall retract that. In any event, if he contradicts himself in any vote on Bill C-48 which extends regulatory or ministerial discretion, then his speech of today,

which was intended to be high-toned in the main, will have become of no consequence. That is the kind of debate that is taking place.

I want to come back to the subject of New Brunswick for a minute. The other night as I sat here in the House, I could not help thinking about the Mother Goose rhyme about the seven little blackbirds who sat in a tree, or seven little puppets who sat on a limb, and one fell off and then there were six. I noticed that as we voted, one had fallen off. That was the hon. member for Saint John (Mr. Landers).

Now I come to the hon. member for Madawaska-Victoria (Mr. Corbin). He abstained totally from any responsibility to his constituents, a responsibility which they expected of him. According to rumour, he did it, first, on being approached and asked to the objections to support rail cancellations and to represent his constituency so as to prevent the cancellation of the line from his home town or city, whichever the case may be, the route from Edmundston to Moncton. His response was, "The government has done it. It has to be right, and I have to support it," and, "No, I cannot make those representations". That is the rumour. I did not see that in print. I did not hear him say those words, but there was a report along those lines. That part of New Brunswick got the usual service from the Liberal Party of Canada. When he was needed and when our interests needed protection, he voted with the government of which he was a member.

We can now turn to the hon. member for Restigouche (Mr. Harquail). If hon. members look at *Hansard* and see the interjections there, they will find a cute little remark that, "Well, my constituency is looked after. I still have passenger service." An interruption in the House of that magnitude really must endear him to New Brunswick as a whole, and it must generate some form of disappointment, even in his own constituency of Restigouche.

Today I asked the Minister of Transport (Mr. Pepin) how he was going to get two trainloads of people into one train travelling on a long route when both trains were already full. I want to tell the hon. member for Restigouche that when the minister finishes jamming people in like sardines so as to have one transcontinental train take the place of two, the hon. member for Restigouche will not be all that popular, especially when his constituents will not be able to get on the train in Campbellton.

I now come to the hon. member for Gloucester (Mr. Breau). Down in Gloucester the hon. member can do whatever he likes. He does not have to do anything if he does not want to, because he will be re-elected anyway. Therefore, it did not make any difference which way the hon. member for Gloucester voted, and yet he stood up and voted against the rest of New Brunswick. As far as the Liberal party is concerned, the rest of New Brunswick will remember that.

Now we are down to the third little blackbird. We come to the hon. member for Northumberland-Miramichi (Mr. Dionne). It may be necessary to treat him with a little more distinction since he happens to be the chairman of the Standing Committee on Transport. I wonder whether the hon. member would acknowledge that on August 7 a letter was written to him stating on behalf of our caucus, that an extension of time should be given by the House to the transport committee. At that time the committee was travelling. Its job was to discuss and view the various aspects of transportation as they related to Ontario and Quebec. The request was that the committee hearings be extended a little and that the VIA Rail service be discussed. Remember, Mr. Speaker, this letter was addressed to the hon. member for Northumberland-Miramichi, chairman of the Standing Committee on Transport. It was a long and imploring letter. It has been neither answered nor acknowledged.

Next came the reconvening of the House. Representations were made by two parties of this House, one of which was not the government party, for a steering committee meeting. Why not have a meeting in place? Why not schedule our committee meetings to include discussion of VIA Rail and the needs of Canada as a whole? A meeting was sort of scheduled for October 20, but it was cancelled without notice. No successful effort has been made to influence the chairman of the House of Commons transport committee to call a meeting of the steering committee to determine whether or not there can or cannot be discussions in that committee with respect to VIA Rail passenger service. I do not think I need to say very much more. The hon. member did not answer the letter. He did not call a meeting. He cancelled by telephone the only meeting that had been arranged. That is the performance on behalf of New Brunswick by another Liberal member from that province. He, too, will have his constituents sitting on the laps of those passengers who got on the train first if one train has to accommodate two train loads of passengers. People will like that. All of New Brunswick was looking forward to better leadership than that coming from the chairman of the transport committee of the House of Commons of Canada.

The hon. member for Westmorland-Kent (Mr. LeBlanc) is a minister. We are excommunicated by that minister. I wonder whether he met with representatives of VIA Rail today. I do not know. It was my understanding that he was sought out but not found. However, if I am wrong, he can correct me tomorrow. He is quite capable of that.

An hon. Member: He is fishy.

Mr. McCain: The fishermen have not seen him either. He has set up a buffer zone. He stays on the inside of it and the fishermen stay on the outside of it. The fishermen could have told his people requiring passenger service what to expect, and it is my understanding they got it. They had no consultation.

We come now to the hon. member for Moncton (Mr. McCauley). He is as loyal as the other six. The hon. member for Moncton is number one. We have all those little blackbirds sitting on a limb. They have all fallen down as far as New Brunswick is concerned. The limb is now naked of interest in New Brunswick as far as Liberal members in this House sent here by the voters are concerned. I submit to you that New Brunswick deserves better than that from the chairman of the Standing Committee on Transport and the other six Liberal

members sent up here by the voters of New Brunswick. It is disgraceful, Mr. Speaker.

● (2050)

How does this system work? You have been here quite a while, Mr. Speaker, and you know. Perhaps you could talk to those seven clowns over there and tell them that they should unite in a common bond for a common purpose so that the people they represent will get what is owed to them by the federal government. Those seven little blackbirds fell from their perch in their neglect of the province of New Brunswick. There was no need for it. Had they presented a solid front on behalf of New Brunwick in support of the member for Argenteuil-Papineau (Mr. Gourd) and others to whom an equal disservice is being done by this cancellation, there never would have been a cancellation.

The minister may have announced the cancellation when the House was not in session but he could have been compelled by the government to reverse that decision after the caucus met.

We are all familiar with this House and its procedure. If you want to lie down in front of a steamroller, it will squash you and your interests, as New Brunswick was squashed.

When I posed my motion this afternoon, I indicated that the *Telegraph Journal* said to those seven members, as it did to everybody else, that Ottawa is cutting the heart out of New Brunswick, but they do not care.

Some hon. Members: Hear, hear!

Mr. McCain: I cannot understand how the member for Moncton could reside in a university town and ignore the representations made by the student body of that university about transportation requirements. He is an educated man. He must understand that in this day and age a student has to save every nickel when he is living on loans and has no bursaries to speak of. Students coming from Restigouche-Madawaska to Moncton university need a train. It is the cheapest transportation. Over 850 students enrolled at the university of New Brunswick to take courses, such as forestry which are not available in other parts of Canada, live west of the province, some in the far west. They need that train. Has the hon. member for Moncton ever taken a ride on that train to see how many students use it when college opens or during the breaks? These people can only travel on that train because they cannot afford the new air fares. The problem is equally acute for people of limited financial resources. Did those seven little blackbirds give any thought to them while they watched the disappearance of rail passenger service on the western side of New Brunswick? Did they consider those people who can no longer afford to drive their cars? These people travel from Edmunston to Moncton by train. This train allows them to go to Moncton in the morning to go shopping or to attend business and return home in the evening. They cannot do that any more. How would the hon. gentleman from Edmunston like to jump on the bus, change buses, get to Fredericton, and then wait for the pleasure of the bus to leave from Fredericton, then go to Sussex and wait for another bus to go to Moncton? How would he like to do that?

I understand one of the constituents of the hon. member for Madawaska-Victoria is the president of the student union of the University of Moncton. Does he realize he has denied her the opportunity to travel by train? She does not own a car and can ill afford any other mode of transportation.

New Brunswick politics are hopeless. The Liberal members are little blackbirds, and they fall off the tree every time the whip waves his wand, or the Prime Minister (Mr. Trudeau) suggests it is the right thing to do. New Brunswick can wait until some other interested individual comes along. I can assure those members that individuals who are more interested will in fact come along in the next election.

Some hon. Members: Hear, hear!

Mr. McCain: Some of those Liberals may be left, but not all of them.

The train is the only affordable passenger transportation many New Brunswickers have. For more than half of them this form of transportation will be completely out of reach, or they will have to travel 420 miles more than if they could travel on the Atlantic Ltd. to Montreal. That is ridiculous.

I noticed not much consideration was given to the exclusion of capitals by VIA Rail. The fact was not mentioned that the Transcontinental no longer passes through the city of Ottawa. I could not help but wonder what the hon. member for Ottawa Centre (Mr. Evans) thought about that in view of the attack not long ago launched against that cutback by the mayor of Ottawa. We did not hear any objection from the member for Ottawa Centre on behalf of the capital city which he represents. I cannot express too strongly my objection to what has happened. Perhaps I have been a little sarcastic on occasion and a little cutting—

Some hon. Members: No, no.

An hon. Member: Never.

Mr. McCain: I want to appeal to this House on behalf of New Brunswick, on behalf of all the maritime provinces which suffer economically, on behalf of those communities which will become isolated, on behalf of those from the Annapolis Valley and Newfoundland which rely on tourism, all the way west to Vancouver Island. I want to appeal on behalf of those who rely on tourism because without rail passenger service they will not have any clientele. I want the minister to reconsider his decision. I speak on behalf of those for whom there is no convenient substitution to rail passenger service and those Canadians who have considered as their heritage the enacted law that there would be rail passenger service provided to Canadians on a transcontinental basis in perpetuity. I sincerely appeal to the government from the bottom of my heart that it reconsider its decision and I plead with members from New Brunswick that they exert their pressure on the government. We have tried the best we can.

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, you have just had a good indication of the kind of argument presented when the hon. member said that Canada should have transcontinental railway services. Canada will have railway services—

An hon. Member: Had.

Mr. Pepin: Will have.

An hon. Member: Fifty per cent.

Mr. Pepin: Yes, 20 per cent fewer routes now than it had previously. But that has happened—

An hon. Member: It has never happened.

Mr. Pepin: It has happened before.

An hon. Member: When?

Mr. Pepin: It has happened between 1970 and 1978 when 28 per cent of the routes were eliminated. So this is not news.

An hon. Member: Not the Transcontinental.

Mr. Pepin: This is the normal process of adjusting the contemporary transportation system of the past to the four revolutions I talked about this afternoon.

• (2100)

I know this is not easy. The process of adjustment is always painful. My grandfather, who was a blackmith and a carriage maker, had one of the first automobiles in the eastern townships. He wanted to adjust. The first night he used the automobile, he entered the garage and went through the wall shouting, "Whoa". He accepted change, but it was not easy for him to adjust to change.

Mr. Siddon: So trains are finished, are they?

Mr. Pepin: My hon. friends opposite remind me of my grandfather.

[*Translation*]

Mr. Speaker, in its report which is the matter under consideration today, the Committee on Regulations and Other Statutory Instruments raises four objections. Firstly, it objects to a Crown Corporation, that is VIA Rail, set up in 1977 through a $1 credit, not being subjected to proper legislation. I think it would be easy to get the unanimous consent about that because we all feel the same way. As I was not a member of the House then, I was not involved, but I imagine that the government and the House of Commons at that time has some good reasons to accept that procedure. I will return to that in a few moments.

The committee also objects to the regulations on contracts for rail services going beyond the $1 vote and being used more especially to set up bus services. It seems to me that this is one of the objections of the committee. The answer is that the argument is not very sound, because the terms of reference for the creation of major services includes the provision of complementary services. Obviously a regulation or a piece of legislation cannot anticipate everything, but legislation or a regulation provides for capital services, it naturally also provides for ancillary services, at least common sense tells me so and apparently this is what the law specifically states.

The third point on which—sorry?

[*English*]

Mr. Beatty: Common sense but not legal.

Mr. Pepin: I thought the law made sense.

[*Translation*]

The third point, Mr. Speaker, is that the committee objects to the funding, and I quote:

—the prescribed portion—

—of the severance benefits approved at the time to help those railway workers affected by the establishment of VIA Rail being defined in a text without any formal regulatory status.

Finally, the committee is opposed to the fact that the government having set by a $1 vote the conditions of the agreements reached between the government and VIA Rail, the minister should have allowed himself to go even further in the details of those agreements. Once again I am told that the matter is debatable inasmuch as the governor in council, once again, only determines the most important conditions, the parameters, if you wish, to which the minister can add if he so wishes. In other words, if the minister were unabe to add to existing rules and regulations, to complement them, he would find himself in an impossible situation.

In turn, I have four points to bring up at this time, especially with regard to the first objection of the committee. I shall have others to make Thursday when I shall have the pleasure of appearing as a witness before the Committee on Regulations and Other Statutory Instruments.

The first point I want to make is this: nowhere in the report is it said the general procedure followed was illegal. So, on the contrary, though it does not say so, the committee considers it legal though it may object to its flavour, the scent emanating from that $1 vote; still, it does not say that it is illegal. Therefore, nothing illegal has been committed. That is something. In short, a pretty good start.

The second point is that in 1977 the $1 vote was not questioned, although others were at that time; and although $1 votes related to a matter of similar nature to this one were not. As witness to that fact, I can quote a very interesting author who in fact is co-chairman of the committee in question, Senator Godfrey, who in the *Senate Debates*—

[*English*]

—debates of October 20, 1981 stated:

—and evidently a point of order was not used by anyone in that house—

He was talking about the House of Commons.

—when the VIA Rail item appeared in an Appropriation Act.

Not bad either, is it? First, it is not illegal and, second, the co-chairman of the committee said that at the time no one brought it up. It may be that moral standards were not up to par at that time. It may be that progress has been made since but, nevertheless, placing ourselves in the spirit of the time, it was not protested at that moment. I apologize; I cannot be a personal witness to that event because I was outside the House at that particular moment.

[*Translation*]

One can therefore conclude—

[*English*]

Mr. Mazankowski: It was raised on March 22, a full-scale debate.

Mr. Pepin: I just quoted the senator, the co-chairman.

Mr. Mazankowski: It is wrong.

Mr. Pepin: I will tell him but, nevertheless—and I repeat my argument—other items at the time even on the same subject or nearly the same subject were challenged, found deficient and thrown out, so there must have been some justification for the members' accepting that $1 vote at that time.

Mr. Mazankowski: Clear recognition of impropriety.

[*Translation*]

Mr. Pepin: In my opinion, the main reason must have been that once again I was not there, the fact that once again the legislative agenda must have been overloaded as it is now and as it will be for centuries to come. Amen! One can therefore conclude that hon. members had their reason to accept that vote or not to argue as strongly as they used to do in other circumstances.

My third point is this: even if it is true it is good that VIA Rail has been legally established and, as I have said many times, I admit the desirability of a formal piece of legislation.

This afternoon the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) stated that I was contradicting myself in that respect. He quoted a letter dated May 7 where I wrote:

At present, there does not appear to be an immediate requirement for a VIA Rail Canada Act.

Well, I could play on words and point out the importance of "at present" and "urgent" and so forth, but I am prepared to say that the letter was not clear enough, I am prepared to agree to that. My basic position is that I strongly wish that legislation on VIA Rail be passed as rapidly as possible and I will come back to that topic in a few moments. The cabinet has discussed the matter since then, and examining the July 27 statement on the cutbacks they agreed with my request and asked me to report on that subject. I am now making every effort to define what might be a piece of legislation on VIA Rail. Once again, I will come back to that.

Finally, my fourth point is to say that I am quite willing to appear before the Standing Joint Committee on Regulations and Other Statutory Instruments and before the Standing Committee on Transport as well if they so desire.

I was taken to task for not being in the House this afternoon. I think it was not very nice on the part of the hon. member who made that remark, because I was in the House in the early part of the afternoon, and then I had to greet the people from Transport 2000 who wanted to give me their views. I would suggest it was indecent to protest against my absence under such circumstances.

Just the same we ought to proceed now. The first part of the debate had to do with the report of the committee in question, with the statutory instruments, but I was told that the debate had gone far beyond the traditional limits on that subject. Well, Mr. Speaker, I too will take the liberty of straying a little bit from the main purpose of this debate since others have done that so openly.

I would like to reflect for a while on Section 64 of the National Transportation Act. Everyone refers to it but I wonder if someone has bothered to read it into the record. I will do so to show you once again that the government is right in using it to proceed with this rationalization measure. Subsection (1) of Section 64 says, and I quote:

The Governor in Council may at any time, in his descretion, either upon petition of any party, person or company interested, or of his own motion—

—of his own motion—

—and without any petition or application, vary or rescind any order, decision, rule or regulation of the Commission, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the Governernor in Council may make with respect thereto is binding upon the Commission and upon all parties.

There is a lot of fancy footwork being done to try to prove that there is a difference between a cabinet decision, an order in council that amends a single decision of the CTC and one that varies several decisions. The act makes no such distinction. Section 64 of the National Transportation Act applies to both the plural and the singular. So we should read this before accusing the government of legal indecency in its use of Section 64. What we have to ask ourselves is why Section 64 was included in the National Transportation Act. It is simple. In some cases, we can refer to the CTC to find out if a line is economical, if it is viable in the public interest, whether or not it should be maintained. But in some cases, it is the entire system which is in question. In some instances, the government wonders not if such and such line should be reviewed, but whether the entire system should not be reconsidered. And the act of 1967, in particular Section 64(1), gives the government the power to change the whole system and that is precisely what we are doing now.

● (2110)

[*English*]

Mr. Benjamin: How far back?

Mr. Pepin: We cannot go back further than five years because the CTC has to review all its decisions every five years, and does. Therefore, the decisions are not older than five years.

[*Translation*]

There is one other important point, Mr. Speaker. Some responsibilities cannot simply be entrusted to the Canadian Transport Commission and one of those responsibilities is to govern, that is to decide whatever credits the government may allocate to this or that means of transportation. And that is a responsibility which the government cannot merely pass on to the Canadian Transport Commission. I will now read from a Supreme Court ruling—a popular practice these days—on that question and I quote:

[*English*]

—*Attorney General of Canada v. Inuit Tapirisat*, 115 DLR Third, page 1.

Mr. Kilgour: I know the case.

Mr. Pepin: Good. Think about it further.

Mr. Kilgour: Why don't you read it?

Mr. Pepin: Obviously I cannot read the whole decision. You would not allow me the time. "In Section 64(1), Parliament has not burdened the executive branch with any standard for guidelines in the exercise of its rate review function. Neither were procedural standards imposed or even implied . . . This conclusion is made all the more obvious by the added right in Section 64(1) that the governor in council may, on his own motion, vary or rescind any rule or order of the commission."

[*Translation*]

Now that is clear, and once more, the government cannot simply transfer this responsibility to others. I have said so many times and I say it again, my predecessor, Mr. Lang, tried to transfer a large part of this responsibility, in 1977, if I recall correctly, to the Canadian Transport Commission. He gave the commission a very extensive though not imperative mandate, so that the Canadian Transport Commission treated this directive from the then minister more like good advice, like a friendly recommendation. By all this I mean that if I, as the Minister of Transport, had decided to proceed by recourse to the Canadian Transport Commission, my directive would have had to be far more specific. I would have had to tell the Canadian Transport Commission: Listen, the cabinet, the entire government says that from now on, we can only spend a half billion dollars on passenger railway services in Canada. That would have been the first part of the directive.

Then I probably would have had to tell the Canadian Transport Commission: Listen, you say, and everybody says, that railways are most effective in transporting passengers on intercity routes of 500 miles or less. I would have had to add right away that Canada should have at least one transcontinental railway each way. And I would have had to point out that Canada has isolated communities where railway services must be continued. Finally, I would have had to tell the Canadian Transport Commission that, as it has said so itself in the past, commuter transportation is basically a provincial and urban responsibility. Why? Because the kind of work to be done, that is, combining subway lines, buses and railways, must be done by local authorities. Well, that is exactly what we are doing now. I would have had to tell the Canadian Transport Commission: Do what the government is doing now. And my friends in the official opposition would have said once again that not only was I an imperialist, but I was a hypocrite as well. So now, at least, I am not called a hypocrite. Thank God for small blessings.

Since the beginning of this debate, the official opposition has been saying: Listen, why don't you postpone this. It is still doing so today, since we have just taken a whole day, and the intentions of the hon. member for Wellington-Dufferin-Simcoe today were quite clear: simply to postpone the matter. Very well, postpone it, transfer the whole thing to the Canadian Transport Commission which would take at least five years, because remember, the commission's decisions may be appealed. So, this means at least five years if we take that course. The next day the opposition says: put this problem before the Transport committee, until June. And yesterday, for instance, the hon. member for Vegreville (Mr. Mazankowski) said, well, before deciding what to do, we should pass legislation on VIA, and we should also have an order on the prices to be paid by VIA to CN and CP.

In other words, Mr. Speaker, I am in an awkward predicament, because everybody wants to postpone the inevitable. But then, one of these days, the circumstances will no longer allow decisions to be postponed, because VIA Rail would otherwise be doomed. If the government is acting now, it is because we are faced with an emergency situation.

On several occasions since we started debating the issue we are dealing with today—I think I still have a few seconds left, Mr. Speaker—I have indicated that I was ready to discuss VIA Rail legislation. I have been authorized by the cabinet—as I said a while ago—to prepare a document to that effect. I would be willing also to appear before our Standing Committee on Transport.

This being said, it is quite clear that this subject is not an easy one. There are two possible formats for such legislation: one which would be somewhat limited and where the terms of reference of VIA Rail, its committee, its main structure and budget, its means of acquiring funds and so on would be defined. That would be fairly simple.

Mr. Deputy Speaker: I regret to interrupt the hon. minister, but the time allocated to him has expired.

[*English*]

Mr. Siddon: Mr. Speaker—

[*Translation*]

Mr. Pepin: Mr. Speaker, I ask the unanimous consent of the House to continue with my remarks for approximately another thirty seconds at the most.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (2120)

Mr. Thomas Siddon (Richmond-South Delta): I think it is evident to all members assembled here this evening that the seventh report brought forward by the joint committee, and its larger implications for the future of VIA Rail, is something that most members of this House would like to have time to comment on this evening. The Minister of Transport (Mr. Pepin) has certainly used his 20 minutes well. I hope others might also have an opportunity to speak this evening, so I will try to make my remarks as brief as possible.

I am rather intrigued by the minister's style, Mr. Speaker. He was not disposed to speak in favour of the recommendations that have been brought forward in the name of the hon. member for Welllington-Dufferin-Simcoe (Mr. Beatty). The committee in essence recommends that we get on with the business of enacting a VIA Rail act and give VIA Rail a proper mandate as debated and adopted by an action of this House. Instead, the minister keeps referring back to the history of how the $1 vote was passed and suggests that back in 1977 members of this House did not object.

I should like to remind the hon. Minister of Transport that the hon. member for Vegreville (Mr. Mazankowski) moved a motion—I believe it was on March 22, 1977—on an opposition day in this House, Mr. Speaker, in which he condemned the government for its improper use of $1 votes, particularly the improper use of the $1 vote, which was used prior to that to establish VIA Rail.

Some hon. Members: Hear, hear!

Mr. Siddon: So much for the value of allotted days, Mr. Speaker. The minister likes to draw these parallels, using terminology that is quite common these days. He says that what they are doing is not illegal. He says, "Perhaps it is somewhat controversial, or even unconventional, but it is not illegal and, therefore, we are quite justified in using a cabinet order, a cabinet decree, to make national transportation policy". But this is done without reference to the views of the people of Canada or this Parliament, which is the voice of the people of Canada.

Mr. Speaker, we know VIA Rail needs to be properly mandated under an act of this Parliament. One of the reasons is to ensure in future that the cabinet is not able to dicker and interfere in the evolution of transportation policy by changing the terms of reference and by creating a climate of uncertainty and a lack of predictability so that it would be virtually impossible to manage a corporation such as VIA Rail. Indeed that is the present situation, Mr. Speaker, as illustrated most clearly by the minister's action of July 27, 1981.

We need a VIA Rail act to establish clearly the basis on which the railways will charge VIA Rail for running rights and the use of equipment. In other words, we need a reconstitution of costing order R63-13. We also need to know where rail transportation will fit in our scale of national transportation priorities. It is not enough for the minister to stand in this House, Mr. Speaker, and wax eloquent about the days of the blacksmith and the four revolutions in the history of transportation and about the fact that his father worked on the railroad. All of that, Mr. Speaker, suggests that the Minister of Transport has a preconceived disposition to end passenger rail service in Canada. I think this is quite clear if you read between the lines of everything he says. He is saying that in the future in this country we are going to travel in airplanes or stuffed into buses over distances of four or six hundred miles, and that includes the elderly, the handicapped people and others who do not find it convenient or comfortable nor, in fact, conducive to their state of health to travel by other means than rail.

We need to know the extent to which the government and Parliament will consider the importance of our national rail passenger system to our economy, Mr. Speaker. That brings in specifically the question of tourism and the importance of tourism and of attracting people from all parts of the world, from the Pacific rim, Europe and the United States of America and elsewhere, to come and enjoy our country and partake of our beautiful scenery, and thus bring important economic benefits to thousands of businesses across Canada, whether they be hotel businesses, restaurants, car rental operations, ski package promoters or any of the large businesses and host of individuals who operate those businesses to earn a livelihood.

The VIA Rail Act must be undertaken with due regard for the importance of rail transportation to our economy. Of course, we have to embark on this initiative, given a full and thorough debate of the question of energy and the relative costs of various types of transportation. It is far too easy, Mr. Speaker, to adopt things by the back door and pretend they have the facts to back up the decisions they take when, in fact, those facts are distorted, misleading and selectively chosen to substantiate a biased case, Mr. Speaker.

I thought the minister was going to challenge that comment. But in fact he knows, Mr. Speaker, he is on very shaky grounds. In fact, in this House he has admitted he is really not much of an expert with numbers. This is a numbers game, Mr. Speaker, where the minister cannot merely resort to the inferences and selectively chosen statistics that some of his senior officials are apparently putting in front of him. We must know the means by which the VIA Rail corporation will be required to report to Parliament and to the standing committee, and what their relationship will be with the Canadian Transport Commission in terms of policies and regulations affecting the

provisions of services which were originally undertaken as a commitment by those national rail systems that have provided passenger service for the most part of a century.

Those obligations have never been rescinded. It is important to know the extent to which VIA Rail will be required to continue those obligations and provide perpetual rail services, or some altered form of it, in accordance with the needs of public good, and public necessity and public convenience, which is what the Canadian Transport Commission is mandated to determine.

Before we pass this VIA Rail act, Mr. Speaker, we must know what the obligation of VIA Rail is going to be to its employees, members of the various railway brotherhoods and operating unions, some of whom became members of a new union with the expectation of a whole career with VIA Rail ahead of them. They relinquished their seniority in the unions they had belonged to earlier. They fully trusted and expected the government to guarantee them a rewarding and remunerative career with VIA Rail.

The back door, moonlighting actions the minister has taken this past summer essentially break a trust with these employees who felt they would have a career with the national railway company. But instead, the minister says, "That is all right, we will take care of them. We are going to pay them off. We are going to put them into early retirement or send them somewhere down to central Canada so they can be retrained to pass sandwiches on an LRC train running between Quebec City and Windsor". That is not good enough for people who have given their whole career to the railway and who have learned a trade in the service of the passenger rail system of our country.

We need to incorporate within the VIA Rail act a clear obligation and undertaking to those who would be employed by that corporation in the service of our people. We have to set out clearly a provision for reporting on the finances of this corporation. A clear distinction has to be drawn between the capital budgeting for new equipment so that we can actually put aside, on a year by year basis, a steady flow of capital funding instead of having these fits and bursts of capital as was the case 25 years ago when we bought a lot of new rail equipment. Then we did not buy anything again for 25 years.

A railway cannot plan and build a modern system using modern equipment if it cannot have a properly laid out system of capital budgeting and planning for the expansion of that service. It cannot watch its budget being subjected to the meat axe at every whim of the politicians to save a few dollars.

We must know what the nature of the operating budget of this corporation is going to be. We have to know to what extent the railways will be able to overcharge for fixed costs, whether or not the passenger trains are running. We have to know to what extent the railways want to charge for rail grinding and resurfacing—which is necessary—largely due to the heavy unit trains that are using our rails and to what extent VIA Rail is being expected to pay excessive charges that are incurred because of other traffic on those rails.

● (2130)

We want to know how much fuel VIA Rail is using. I have tried to do some energy calculations in order to determine that. It is very convenient for the minister that this information is not available. Presumably the railways charge VIA in bulk for all the fuel it uses. It is very difficult to determine how many energy units of fuel are actually being burned in moving passengers, as compared with the movement of the freight and bulk materials. We require a proper accounting and reporting procedure so that the officials of VIA Rail know that they will not be hosed, to put it frankly, by the national rail systems which provide the rights-of-way on which it operates.

We require a procedure of reporting on performance. For example, we must know what means we will use to decide when a particular line or a particular service is so marginal that it should be discontinued. The rules must be put up front. We should know whether we are prepared to subsidize, for example, 50 per cent of the operating costs of a line, and not one cent more, as is the case with the Amtrak system. If we believe the rail system should be serving the social needs of people in the remote and less populated areas of Canada, then we must accept the concept of subsidy, which is just another way of having taxpayers pay for the service in any event. It is not the government which is paying for these things. It is taxpayers, and the priority should be determined by taxpayers. It should be very clear in the VIA Rail act the extent to which passenger rail services will serve the national interest, not merely the dollar and cents interests of the government which wants to buy some new LRC trains so that it can conveniently cut the services which the people in the more remote and rural areas of the country clearly need. We require all of this information before Parliament can debate it in the context of evolving a VIA Rail act.

It took the minister only 30 minutes to make the decisions which he enacted on July 27. To come into the House and tell us that it will somehow take five years, is really an insult to the House. If we merely resolve to adopt as an element of our national transportation policy the philosophy that passenger rail trains will continue in Canada, given the experience in other countries and the fact that we know passenger trains are cheaper in terms of energy consumption than any other form of transportation, we should get on with creating a system which grows, works and serves the needs of all Canadians.

I should like to talk for a moment about the credibility of information. The minister justified his actions by saying that trains are inefficient, the least energy efficient of all transportation methods. Of course this is pure rubbish. It is just not true. The minister is trying to suggest that there are not enough people using these trains as a reason for not continuing them. In fact, the statistics show otherwise. It is a matter of whom he is directing his questions to. To make superficial, simple-minded statements to the effect that railways are one of the least energy efficient of all transportation modes is just absolute "sluttergush". The minister is misleading the House, perhaps unintentionally, by suggesting that he is qualified to decide on the relative merits of rail service compared with air

transportation and other modes, which we know are heavily subsidized by the taxpayers by one means or another.

The statistics on national trends and cost recovery prepared by the minister's department show that in 1977 there was only a 32 per cent cost recovery for the provision of air transportation services in Canada, a 22 per cent cost recovery on marine services, and a 49 per cent cost recovery on the highway system which serves passenger cars, buses and highway transport trucks. In comparison, the railways are operating with an 82 per cent cost recovery. Granted, much of that high rate of return on the rails is because of the carriage of freight, but surely it is not too much to ask that some of the excess earnings, far in excess of the earnings in the other three modes, be redirected to guarantee convenient, comfortable rail transportation services for all Canadians.

A few weeks ago a Gallup pole was taken of some 1,052 Canadians. It showed that the majority of Canadian people strongly disapprove of the minister's arbitrary cuts to VIA Rail services down about 20 per cent, announced on July 27. Approximately 51 per cent of the people polled disapprove of these cuts, with only 27 per cent approving. The majority of those who responded said that they would even accept an increase in taxes to maintain the national rail transportation service.

These are important questions. The minister has not stopped to measure the sociological impact of these decisions. Certainly he has not been able to convince the House that he has calculated the impact on businesses and on income earning potential and employment created both directly and in spin-offs from the national rail transportation system. He has not considered situations such as this.

I hope the minister is listening somewhere. When those of us on the task force travelled across Canada, we stopped to listen to the people of Kamloops, British Columbia. A widow travelled 200 miles from Blue River in order to speak with us. She wanted to tell us how much difficulty she had been having maintaining her income since the passing of her husband and because of some ill health. This widow was not eligible for old age pension. She operates a little store along the right-of-way where the supercontinental passes twice a day. Many of the passengers detrain to buy little curios and articles in her store. This makes up some 30 per cent or more of her income. Mrs. Jane Lamont, a 63-year old widow travelled 200 miles to speak with us because the minister did not want to hear her. We learned that she derives her living from that little store along the CN tracks in Blue River, British Columbia. She will be forced out of business within three weeks after November 15, 1981, when the minister implements his decision. I would have liked to see the minister in the House to see the reaction on his face when he heard the words of Mrs. Lamont who said:

I feel very humble in asking the Minister of Transport to give me back something I need.

There are many hon. members who have travelled the country and listened to the people in ways that the minister has not. They deserve the right to stand in the House of Commons and debate this very important question before November 15. Today is the day, perhaps the only day, when these members will have a chance to bring their feelings and experiences to bear on behalf of Canadians. Therefore, in the interests of granting additional members an opportunity to be heard, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That pursuant to Standing Order 6 the hour of adjournment this day be extended until such time as no member continues to rise to participate in the debate on the business of the House now under consideration.

Some hon. Members: Hear, hear!

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

Some hon. Members: No.

Mr. Deputy Speaker: All those members who object will please rise.

And more than ten members having risen:

Mr. Deputy Speaker: I declare the motion lost.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I think you declared the motion lost under Standing Order 6(5)(b), the relevant part of which states, "—the motion shall be deemed to have been withdrawn—", not lost, Mr. Speaker.

● (2140)

Mr. Deputy Speaker: The hon. member is perfectly right, but the motion did not carry.

Motion withdrawn.

Mr. David Berger (Laurier): Mr. Speaker, before the hon. member for Richmond-South Delta (Mr. Siddon) leaves his seat, I want to say that I think it is somewhat ironic that he began and ended his comments by saying that he wished that more members of the House could participate in the debate. He said he would keep his comments short, and then proceeded to talk for 20 minutes, the full time allotted, and so no other member will now be able to speak in this debate. That is an indication of the kind of paradoxical if not hypocritical attitude that members of the so-called opposition display.

Mr. Kempling: Let's hear your solution.

[*Translation*]

Mr. Berger: Mr. Speaker, it is with great pleasure that I take part in this debate on the motion for concurrence in the seventh report of the Committee on Regulations and Other Statutory Instruments. I fully agree with the principle contained in this report that it would have been better to establish VIA Rail and to authorize the public operation and financing of rail passenger service in Canada by an act of Parliament. As indicated by the committee, VIA Rail was created by a series of votes and orders in council which are described in detail on pages 35:4 and 35:5 of the committee report dated last June 18. The report outlines the four or five stages which led to the creation of VIA Rail on January 12, 1977, and I quote:

On January 12 1977, the Canadian National Railways incorporated a subsidiary, VIA Rail Canada Inc.—

By vote 52d, *Department of Transport, Appropriation Act No. 1, 1977*—VIA Rail Canada Inc., was deemed to be a railway company for the purposes of Section 11 of the Railway Act—

By Vote L56a, *Department of Transport, Appropriation Act No. 3, 1977-78*, the Minister of Transport was authorized to purchase "on behalf of and to hold in trust for Her Majesty in Right of Canada all of the issued common shares of VIA Rail Canada Inc. and to pay $100,000 in consideration thereof". By Order in Council, SOR/78-287, VIA Rail Canada Inc. was made a Crown corporation—The whole authority for public funding of the VIA Rail operation and its takeover of railway passenger services provided by railway companies rests in the dollar vote, Vote 52d, Department of Transport—

That vote authorized the minister to enter into a contract with VIA Rail Canada Inc. with respect to:

(*a*) the provision, management, or the operation of selected rail passenger services in such a manner as to improve efficiency, effectiveness and economy in rail passenger services in Canada;

(*b*) the reimbursement of the net cost to the corporation of operating a rail passenger service in accordance with the provisions of the contract;

(*c*) incentive payments for the efficient operation of the rail passenger services in accordance with the provisions of the contract;

This was the procedure used to establish VIA Rail, and I quite agree with the committee, as I said earlier, that it would have been better and more desirable to create VIA Rail by an act of Parliament. However, I do not agree with some statements in the committee report which imply that Parliament was kept completely out of the debate. I do not agree with the implications of statements such as this one, on page 35:6 of the committee report, where the committee says, and I quote:

Parliament should have been, and still should be, given the opportunity to debate the future and structure of railway passenger services in Canada and the manner of their management and control—

Meaning that Parliament did not discuss these matters. Then, further on, we find the following:

—many important matters have been effectively foreclosed from Parliament's debate and disposition by the extensive and pre-emptive executive action that has already been taken.

On the contrary, Mr. Speaker, there have been many opportunties to discuss the matter of passenger rail service in Canada, and I would like to give a few examples of this. First, it is a fact that we have an oral question period every day, and I would like to quote part of a question asked by the hon. member for Vegreville (Mr. Mazankowski) last July 13 and the reply to that question. As I said, this occurred during the oral question period. In a question to the Minister of Transport (Mr. Pepin), the hon. member asked the following:

—is it the minister's intention to bring to the Parliament of Canada a new VIA Rail act this autumn?

What did the minister reply? Here is his answer:

On the other subject, that is the usefulness, necessity of having a VIA act, I am in full agreement with the views expressed by the hon. member and others.

He then explained why the government was prevented in the past from introducing such a bill. He then said:

The problem has always been with the agenda or the timetable of the House. In 1977 when Via was created by an item in the estimates—

—as I have just explained—

—presumably there were too many items on the agenda of the House. Last year—

It is important to note the following facts because some hon. members would have the public believe that transportation matters are never debated in this House. The hon. minister said the following:

Last year I gave priority to the problem of the transportation of dangerous goods.

It seems to me that all members remember those problems related to the transportation of dangerous goods following the derailment in Mississauga, with the resulting emergency, the debate which followed and the act passed by the House.

This coming year, as the hon. member knows, we have the ports policy to bring up. We also have the independent air safety board to create. Thus, time is really the problem. Everyone agrees that VIA is entitled to legislation of its own as one of the major Crown corporations. I am committed to cabinet to bring forward a memorandum on the subject which might lead to that realization, whenever the time of the House permits.

I repeat—

—whenever the time of the House permits.

● (2150)

[*English*]

Mr. Speaker, the minister noted that the problem has always been and still is with the agenda or timetable of the House. However, it seems to me, based on my short experience in this House, that it would not be too far-fetched to suggest that the conduct of the members of both the government and the opposition has led to a situation in which Parliament cannot function properly. The responsibility sometimes lies with our own members, but it very often lies with the opposition. An example which comes readily to mind is the pleading of Madam Speaker in Question Period every day for hon. members to refrain from posing questions that are too long, that have preambles which carry on endlessly—

An hon. Member: What about answers?

Mr. Berger: —or her suggestions that less heckling might permit a minister to answer questions more quickly.

As have all hon. members, I have spent a lot of time in committees in this House. A recent example that comes to my mind is that of a minister working on tight deadlines, perhaps imposed by the slowness of House operations caused by some of the factors which I have just mentioned, who tried to get a bill through committee without the necessity of holding public hearings. The minister, obviously unfamiliar with proceedings of committees, did not know that the opposition could tie him up for days in the committee, if it wished. Eventually he was obliged to consent to two or three hearings. Two or three valuable days were wasted in procedural wrangling.

I think that there is also a refusal by the opposition to recognize the prerogatives of the executive branch of govern-

ment. A perfect example is this decision on VIA Rail. In its wisdom, the government has decided that it has to cut back services.

Mr. Kempling: In its stupidity.

Mr. Berger: It has to cut back money-losing services in order to devote the necessary funds for new equipment. The minister has given his justification—

Mr. Kilgour: That's just ducky!

Mr. Berger: —for his decision, both inside and outside the House.

Mr. Kilgour: Very persuasive!

Mr. Berger: He has given reasons not only for the substance of his decision but also for the procedure that was used.

Mr. Kilgour: That was just terrific!

Mr. Berger: Yes, the process. One hears a familiar cry of "totalitarian" coming across from the great defenders of democracy across the aisle.

Some hon. Members: Hear, hear!

Mr. Kempling: Make him a minister to Skalbania.

[*Translation*]

Mr. Berger: As my colleague just pointed out, this great champion of democracy has just refused to allow half a minute more to the Minister of Transport (Mr. Pepin) to let him conclude.

Mr. Ouellet: How rude!

[*English*]

Mr. Berger: The minister has explained that the government and the country cannot afford to undertake a series of lengthy hearings which would have just postponed the inevitable. The opposition, however, states that it is upset that there will be no hearings of the CTC. I would like to remind Your Honour that this is the same opposition which incessantly cries out about accountability to the elected representatives of the people. It is true that we have given certain responsibilities to the CTC. However, all hon. members have questioned on many occasions the value of these administrative, quasi judicial, bodies. They have stated on a number of occasions that it is important for government to take responsibility for its own actions and that it is important for parliamentary committees to see that the government is accountable to the elected representatives of the people.

Here we have an example of the minister offering to appear before a parliamentary committee to answer these great defenders of our democratic system.

Mr. Kempling: How condescending.

Mr. Berger: How ironic it is that they have refused to take him up on his offer! They say, "No, we are the elected representatives of the people. We do not want to hear the minister. Send him before the CTC!"

Some hon. Members: Hear, hear!

Some hon. Members: Louder!

An hon. Member: Intelligence prevails.

Mr. Berger: It is quite something, that these people who always claim to speak in the name of democracy have the opportunity to deal with this matter themselves, but they frown upon it. They turn it down. We on this side of the House are also concerned about transportation in this country.

An hon. Member: Funny way of showing it.

Mr. Berger: The hon. member for Vegreville (Mr. Mazankowski) mentioned the concerns of the Voyageur company as expressed before the recent hearings which were held across the country, or in eastern Canada, in any event, by the Standing Committee on Transport. I took three or four hours one morning this past summer to go to Voyageur to familiarize myself with its concerns. I am also very concerned about the matter of the cross subsidization of its routes in rural Ontario and rural Quebec. This is certainly a matter which should occupy the attention of the Standing Committee on Transport. However, if hon. members of the opposition are as concerned as they say they are about transportation, I would suggest that they abandon their posturing, that they accept the fact that the executive has the right to govern this country, a fact which they refuse to accept, day in and day out, in this House.

Mr. Siddon: What about Parliament? What does it do? Dictatorship.

An hon. Member: The window of the CTC.

Mr. Berger: They should go before a parliamentary committee—

Mr. Siddon: There is no democracy left.

Mr. Berger: Rather than harping on a decision that has already been made, they should talk about the future. That is what they should do, rather than continuously burying their heads in the past, as the members of the official opposition have the habit of doing!

Some hon. Members: Hear, hear!

Mr. Siddon: Sounds like another Trudeau.

Some hon. Members: Louder!

Mr. Berger: I would suggest that they bring witnesses in and that they subject government officials to questioning about their future plans; in other words, that they be a constructive opposition—

Mr. Siddon: He is understudying the Prime Minister (Mr. Trudeau).

Mr. Berger: —rather than an opposition which continually obstructs the affairs of the people of Canada.

Mr. Kempling: Oh, go home. You are out of your mind.

Mr. Siddon: Why don't you drive a few buses, David, go into business? Why don't you run the bus service down in New Brunswick?

Mr. Berger: We all want parliamentary reform in this House, but we will never get it unless we can adopt a more responsible attitude to the people who have elected us.

Mr. Siddon: Yeah, let's debate these matters, have a vote.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Mr. Deputy Speaker: The hon. member for Winnipeg-Assiniboine (Mr. McKenzie).

An hon. Member: He is not here.

● (2200)

[*Translation*]

THE CONSTITUTION—POSSIBLE POSTPONEMENT OF FEDERAL-PROVINCIAL MEETING—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on October 20, 1981, in this House, I asked the Prime Minister (Mr. Trudeau) whether he still intended to renew his invitation to the provinces after their repeated refusals to hold a federal-provincial meeting on the constitutional resolution.

It will be remembered that such an invitation had repeatedly been extended by the Prime Minister but had always been turned down by the premiers under various pretences. Finally, the provinces, after a meeting held on October 19, 1981, in Montreal, agreed to such a meeting to be held in the first week of November. Whether this was a tactical move is open to question, since the presentation of the federal budget had already been announced for November 3, 1981. Were the provinces really serious, or were they merely trying to raise a conflict of schedules that would have further postponed the meeting? Whatever that may be, the federal government was serious and despite that situation, the Prime Minister (Mr. Trudeau) scheduled a meeting for November 2 next.

In his answer to my question, the Prime Minister indicated his intention to go through with the resolution, and he referred to my personal position on the question. Mr. Speaker, I would like to make a final clarification on my position which, as will be known, is different from that held by the Liberal caucus and the government. My disagreement has to do basically with Section 133. First of all the Charter of Rights is aimed at guaranteeing minorities of both official languages the essential instruments of their survival.

Theoretially, the Charter should give them protection beyond the provincial legislatures. Such is the spirit of the Charter, which has a universal thrust.

Unfortunately the Charter is affected in actual practice by other constitutional provisions, such as Section 133 of the British North America Act and Section 23 of the Manitoba Act. Under these provisions, the provinces of Quebec and Manitoba alone have been required to grant their minorities free access to the legislative and legal institutions in their own language. All the other provinces, except New Brunswick which has granted voluntarily that protection to its minority in the resolution, were exempted.

The result is that although the Charter of Rights provides legal guarantees and enshrines freedom of movement across Canada, a French-speaking citizen will never be entitled to process of law in his own language in seven provinces out of ten. He will not be able to do business, transact or contract in his own language, and so forth. This situation stems from the non-application of Section 133 all across Canada.

I would invite you, Mr. Speaker, to go through a somewhat hallucinating experience. Read the Charter again, as if you were residing in Alberta, in Ontario, or in any of the seven provinces to which Section 133 does not apply. Let us take a few examples:

10. Everyone has the right on arrest or detention (a) to be informed promptly of the reasons therefor;

In what language, Mr. Speaker?

(b) to retain and instruct counsel without delay and to be informed of that right;

In what language, Mr. Speaker?

And I go to Section 11:

11. Any person charged with an offence has the right

(a) to be informed without unreasonable delay of the specific offence;

In what language, Mr. Speaker?

(b) to be tried within a reasonable time;

In what language, Mr. Speaker? And I could go on and on because that is the thrust of my objection. The rights granted in theory by the charter will never exist in fact, and to my mind, the resolution is incomplete in that regard.

The pan-Canadian rights of the French-speaking majority in Quebec are based on the premise that the rights of French-speaking minorities outside Quebec, to which I belong, as a

Franco-Ontarian in Ontario, be recognized. If those minorities have no real rights, that means that Quebec francophones will then have rights only in their home province. In principle their language will confine them to their province or to no more than two other Canadian provinces which, once again theoretically, should grant rights of access to judicial and legislative institutions.

I therefore wonder, Mr. Speaker, who in Canada speaks for Francophones. Is it the Quebec government or the federal government? If it is really the Quebec government, then the road to independence is already paved and through this official recognition of the French fact in America, French becomes the exclusive domain of the province of Quebec in this country. If, on the contrary, and as I believe, Mr. Speaker, it is the responsibility of the federal government, then all the provinces, without exception, should adhere to national objectives, which are to build a free and officially bilingual democratic country, which recognizes equal rights to all its citizens everywhere.

Mr. Speaker, I should like to conclude on a more optimistic note. In spite of certain reserves, I am equally in favour of patriating our Constitution. I am equally in favour of the inclusion of a full charter of rights and freedoms. And I am equally in favour of adopting an amending formula. Unfortunately, I am unable to support the constitutional package as it stands now, because I feel the Charter is incomplete.

In view of the fact that the issues thus raised are, quite logically, significant for the future of Canada, some would like us to believe that the discussion on the whole question of the imposition of Clause 133 would be given top priority at the first federal-provincial conference following patriation. In spite of the stubborn opposition of Premier Bill Davis of Ontario, we will forge ahead.

Mr. Speaker, a Constitution essentially designed and written for a short period of time would not command the support of all Canadians. As a matter of fact, all legitimate authority derives from the Constitution. The people and other minority groups would not feel bound by such short-term arrangements.

If the constitutional rules, Mr. Speaker, must be constantly redrafted, how can we expect to develop a completely stable community? If the constitutional rules must be altered because we are convinced that their intent is deficient, the present scheme being a glaring example for the reasons I have just stated, why then postpone what can be quite properly done today?

Mr. Speaker, considering the importance of this matter and the short time at my disposal, I should like to say in conclusion that I hope to state in greater detail in the House my objection to that incomplete Charter and the reasons for my disagreement during that special two-day debate following which, I hope, that resolution will be forwarded abroad.

● (2205)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I thank the hon. member for Ottawa-Vanier (Mr. Gauthier) for having raised this very important question.

[*English*]

I know the hon. member is aware of the Prime Minister's response to the question from the provinces as to when we are going to have a meeting. As the hon. member knows, since the Supreme Court decision came down the Prime Minister (Mr. Trudeau) offered to the premiers of the provinces six alternative dates in which to discuss the Constitution.

The Prime Minister indicated in his telex to Premier Bennett that he was:

> Prepared to meet with all the premiers one last time in an effort to reach an agreement on constitutional reform.

According to the ten premiers and the Prime Minister, pursuant to this final offer, they will be sitting down next Monday for a final round of negotiations and, as the Prime Minister said, "We will negotiate even if we have to go day and night". This House is surely aware of the proposed resolution.

In the words of the hon. leader of the New Democratic Party, we have contained in our resolution what is undoubtedly and I quote, "the best bill of rights of any country in the whole world."

Last week a public opinion poll revealed that more than 80 per cent of Canadians want a charter of rights enshrined in our Constitution.

[*Translation*]

Mr. Speaker, we are obviously on the verge of giving to the Canadian people a charter of rights which will not only protect the linguistic rights of English-speaking Quebecers, but which will also, for the first time, guarantee in the Constitution that the French-speaking minority in the nine other Canadian provinces can be educated in their own language.

[*English*]

Mr. Speaker, we heard the Supreme Court rule on the legality of the constitutional package. We have now obtained agreement on a final date for negotiations, as the hon. member for Ottawa-Vanier (Mr. Gauthier) requested last week. Let us now, in a spirit of conciliation, co-operation and good will, meet with the premiers. We want an agreement. We want that accord. We will not sacrifice fundamental principle, but we look forward to that meeting.

THE ECONOMY—MEASURES TO AID MARITIME REGION B) REQUEST FOR ASSISTANCE TO HOME OWNERS RENEWING MORTGAGES

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I want to speak tonight about the continuing high interest rates which plague the Atlantic provinces, as they do the rest of our country, and about the particularly severe effect they are having on the economy of the Atlantic provinces. I want to

share with the House my knowledge of the situation, which I find very distressing, and I want to propose some solutions to the problem for the consideration of the Minister of Finance (Mr. MacEachen) as he prepares his budget for presentation in a few weeks' time.

The latest Statistics Canada figures which have been released indicate that unemployment in our nation has increased from 7 per cent to 8.2 per cent. In every one of the Atlantic provinces this increase of 1.2 per cent has been exceeded, and in one of the Atlantic provinces the increase has been tripled.

• (2210)

Perhaps the most significant feature of these figures is that we have a very serious drop in employment. This means that the increase in unemployment is not because of an increase in the work force or the number of Canadians who live in the Atlantic provinces who are seeking employment. It is because we have had a cancelling out, or a drop, in the number of jobs. The Atlantic provinces are the first hit, the hardest hit and the last to recover from high interest policies and restrictive monetary policies because of the nature of their economies. Three of the Atlantic provinces have resource-based economies, and the fourth has a service-based economy.

The peculiar capital structure that is necessary for resource-based economies and service-based economies is that intense amounts of capital are required but, because of inventory and the primary nature of the products involved, very expensive working capital is required, and in the Atlantic provinces this is generally borrowed. This is where the impact of high interest policies afflicts us quite severely. The first symptoms of this affliction are the closing of our fishing plants—and they are closed—and of our lumber mills—and they are closed. The final phase is when the spin-off of these closures hits our retail merchandising establishments. Just last week two clothing stores which have been in existence for generations joined with others which have closed. This is the complexion of the problem which faces us in Atlantic Canada. I want Parliament to be aware of it, and I want the Minister of Finance to address it, particularly as he prepares his budget.

The one aspect of this problem which is perhaps most severe is the strange dichotomy of our lending institutions with record high profits and of borrowers who are losing their homes and their jobs. This is very severe, particularly for home owners, but it is also severe for tenants because some of them have seen their rents doubled and tripled as the impact has worked through our system.

The big concern I have is for Canadians in lower and middle-income groups, and I want to remind the House that in the Atlantic provinces the average income is two thirds of that in other parts of our nation. It is two thirds of the national average. People in low income groups first have to address the question of very high mortgage payments as they renew their mortgages and, next, record high heating costs, and the Atlantic provinces have the longest and most severe winters of any part of Canada. If one looks at the map, it will be seen that we are north of Montreal. First comes the payment for the mortgage, then for home heating. If anything is left over, it goes for food. In too many families in the Atlantic provinces there is nothing left over for clothing, insurance, recreation or any of the amenities of life. Too many families are losing their homes. Too many kids are suffering from malnutrition. It is that severe. That is why I want this House to address this question.

• (2215)

My constituents have suggested that we consider the use of tax-free bonds for lending institutions, as do the savings companies and municipalities in the United States and the same as the electric power companies to build their works in the United States.

A lawyer in my constituency wrote suggesting that we consider rolling over the Registered Retirement Savings Plan. That has been suggested in other places. I sent this suggestion to the Minister of Finance.

Another constituent suggested that where we have record-high profits in lending institutions and record foreclosures for borrowers we consider an excess profits tax on the lending institutions, that the yield from the tax regenerate through the tax system to lower interest rates on the home owners who are renewing their mortgages.

My party proposed—and the Liberal and New Democratic parties voted against it for reasons they thought valid—a mortgage interest deductibility program. This year it would have made a maximum of $1,125 available to home owners to pay the interest on their mortgages. Next year it would have gone to $1,500.

The government has a duty to place before Parliament a proposal better than that one. If it does, I will support it. I want the government to put forward its proposal to deal constructively with the problem, and we will implement it. This should be done immediately because every day we wait, some child in the Atlantic provinces will suffer and some family will be shattered.

Finally, the government should review the high interest rate policy which, with inflation running at 12.5 per cent, is not doing the job. That is part of the problem.

We should look at the capital gains tax abolition. That abolition could act as a magnet to keep Canadian dollars at home and bring foreign dollars here through the Foreign Investment Review Act. This would strengthen the Canadian dollar and do the job that high interest rates are not doing. When you consider the cost of recovery of that tax, it is a valid point I would like the minister to address. I see, Mr. Speaker, you are about to spring from your Chair.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, of all the members on the other side who raise questions with the

Minister of Finance (Mr. MacEachen), I think the hon. member for York-Sunbury (Mr. Howie) does so in the most creative fashion. I can assure him that the suggestions he has brought forward, tonight and earlier in other questions and sessions such as this, will receive very close consideration from me and from the minister as he reaches the final phase of his budget preparation.

The hon. member implied tonight that the drop in employment in the Atlantic provinces has, in some way, been greater or that the Atlantic provinces are more adversely affected by the current economic malaise that we face than perhaps other parts of the country. I suggest that equally adverse impacts are being felt across this country. The minister is considering those very seriously in his final preparations for his budget. Of course, it would be premature at this time to indicate any of the measures the minister is considering, or which the minister has already indicated he intends to adopt. However, I can assure the hon. member that a reduction in inflation and interest rates will benefit all regions and sectors of the economy. In the short run, Mr. Speaker, the high interest rates in the United States and the need in Canada to combat these inflationary expectations and keep prudent limits on the money supply growth mean, of course, that interest rates must remain relatively high across all the country. Moreover, there is no conclusive evidence that the less prosperous regions of the country are relatively harder hit by high interest rates than are the other regions.

• (2220)

There are, however, continuing measures in place to assist the less advantaged regions of the country, such as, for example, expenditures by the Department of Regional Economic Expansion, equalization payments, and the regionally-differentiated investment tax credits, as well the small business development bonds and other measures which, in some cases, help all of Canada, but which in many cases are strictly and closely directed towards the less advantaged regions of the country.

The hon. member has suggested there has been a dramatic increase in unemployment and a drop in employment in the maritimes at this point in time specifically. I would point out to him that from 1978 to 1980 the employment growth in the maritimes was higher than in the rest of Canada. For example, it was 4.1 per cent during that period, which exceeded the average for Canada as a whole, which was only 3.4 per cent. The latter part of the 1970s was a period of high employment growth in the maritimes and high economic investment. We hope that situation will return after we have passed this brief period of difficulty that we are facing at this time.

Mr. Deputy Speaker: It being 10.23 p.m., this House stands adjourned unti tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 10.23 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 27, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

VIA RAIL

DRUMHELLER TO EDMONTON, ALTA. SERVICE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas after the last public hearing the CTC ordered that the railway line from Edmonton to Drumheller be retained, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House implores the Minister of Transport to rescind the recent order in council that would cancel this VIA line which is the only direct connection that Drumheller has with the city of Edmonton, which many pensioners use to go to Edmonton from Drumheller and intervening points for medical and government services, and permit at least a train twice a week.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EFFECT OF CANCELLATION OF SERVICES ON TOURIST INDUSTRY—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, whereas the inexcusable, irrational decision of the government to cancel the western Supercontinental will harm Canada's international reputation by denying to many thousands of visitors from Pacific rim countries and elsewhere the pleasures of a leisurely holiday by train in scenic western Canada, and given the consequent elimination of more than $100 million of tourist revenue to the western provinces, I move under the provisions of Standing Order 43, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the rich Prime Minister and his friend, the wealthy Minister of Transport, be held personally liable for financial losses incurred by communities such as Jasper, Alberta, and by the thousands of Canadians in tourist businesses who will face bankruptcy, unemployment and personal financial hardship as a consequence of the irresponsible actions taken by these ministers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NUCLEAR ENERGY

REQUEST FOR PUBLIC HEARINGS ON RADIOACTIVE WASTE DISPOSAL—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of continuing widespread concern about Canada's undemocratic and tragic pro-nuclear energy policy, and concern in Manitoba in particular about AECL's real intentions for the experimental underground radioactive disposal vault near Lac du Bonnet, Manitoba, and the Lyon government's casual neglect of such concerns in its leasing of Crown land to AECL, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House instruct the Minister of Energy, Mines and Resources to hold major open public hearings on the radioactive waste program and underground disposal and, failing this, to respond favourably to the latest proposal of the Committee of Concerned Citizens for Manitoba and, finally, to at last release the conclusions of the infamous internal departmental review of nuclear policy which Manitobans hope will tell us whether the government regards storage for recycling purposes as relevant or not relevant to the assurances that radioactive waste will not be stored in Manitoba.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PETRO-CANADA

OPENING OF FIRST SERVICE STATIONS IN EASTERN CANADA—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In Halifax, Montreal and Toronto this past weekend a great event with national significance took place and should be noted. I am referring to the opening of the first Petro-Canada service stations in eastern Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nielsen: What a gas!

Mrs. Appolloni: With due encouragement from across the aisle, I move, seconded by the hon. member for Kent (Mr. Bossy):

That this House welcome the introduction to eastern Canada of retail outlets by the people's oil company and that we wish Petro-Canada every success.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

SUGGESTED EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas many sectors of our society are facing disastrous effects because of the Liberal government's deliberate high interest rate policy, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House instructs the Minister of Finance to include in his forthcoming budget expansion of the Small Business Development Bond to include non-incorporated farmers and non-incorporated small businesses and to extend the life of the Small Business Development Bond provisions for at least one more year, to the end of 1982, and also to include operating expenses.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HOUSING

SALE OF HOMES REPOSSESSED BY CANADA MORTGAGE AND HOUSING CORPORATION—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, Canada Mortgage and Housing Corporation borrowed $200 million from the Government of Canada to cover its shortfall as a result of repossessions and its mortgage insurance program. The minister uses this excuse to fail to give persons purchasing repossessed condominiums and townhouses realistic mortgages, and forces these people to borrow on the private market. I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House direct the minister responsible for Canada Mortgage and Housing Corporation to sell repossessed homes to individuals for their own occupancy and not to speculators or investors, and to take back first mortgages not in excess of 14 per cent, and direct the Minister of Finance not to demand repayment at this time from Canada Mortgage and Housing Corporation of moneys advanced, and direct the minister responsible for Canada Mortgage and Housing Corporation, with respect to housing stocks owned by him, to make interest rates on mortgages within the reach of the average home owner.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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GRAIN

CALL FOR STUDY OF EXTENSION OF HUDSON BAY SHIPPING SEASON—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): The Canadian Wheat Board has set a target for a 50 per cent increase in grain exports by 1985, which goal can only be attained if our transportation system is expanded. In view of the potential that exists in utilizing the Port of Churchill for the export of grain to Russia, Poland and western European countries, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the Minister of Transport commission a study to determine the feasibility of extending the shipping season through Hudson Bay, upgrading and enlarging the port facilities and overcoming the problems of permafrost, and, in the interim, direct the Canadian Wheat Board to utilize the present facilities of the port to the maximum.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

FINANCING REVIEW—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to Canada's small business community. The small business financing review, under way for some 18 months, has now been completed. To avoid a repeat of the VIA Rail fiasco, I move, seconded by the hon. member for Spadina (Mr. Heap):

That not only the review be made public during this small business week and during these crises times, but also all of the supporting studies which served as part of the review process, and this House urge that the Minister of State for Small Businesses and Tourism conduct small business hearings throughout Canada to seek the response of the small business community to the recommendations contained in the report.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CHILDREN FOR PEACE

PRESENTATION IN RAILWAY COMMITTEE ROOM—MOTION UNDER S.O. 43

Mr. Norman Kelly (Scarborough Centre): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas this evening at five o'clock in the Railway Committee Room the Children for Peace will demonstrate for all parliamentarians the necessity for global peace, harmony, and disarmament, I move, seconded by the hon. member for Saint-Henri-Westmount (Mr. Johnston):

That all Members of Parliament be encouraged to demonstrate their support for this worth-while endeavour of our children by attending this presentation.

Madam Speaker: I hardly think this is a motion acceptable under Standing Order 43.

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COMMUNICATIONS

SUGGESTED INTRODUCTION OF AMENDING LEGISLATION—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): I rise under the provisions of Standing Order 43. Madam Speaker, 10 per cent of our population, living within two thirds of the total geographic region of our country, is deprived of adequate radio and television service by reason of their dependency on space satellite technology.

Since the regulatory commission of the Department of Communications is laying criminal charges against certain individuals in the north on the strength of statutes in federal law which are no longer consistent with the government's declared policies, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Communications be required to lay before the House immediately proposals for amending certain sections of statutes which underlie his jurisdiction in order to make such statutes consistent with public policy, and to impose on the regulatory commission a moratorium on any further action based on antiquated laws.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INQUIRY RESPECTING DATE OF PRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): My question is directed to the Minister of Finance, who knows

today should have been budget day. The Prime Minister's preoccupation with constitutional matters forced the budget to be delayed, delaying attention to our economic problems, Madam Speaker, even though in the period from 1968 to 1980 Canada's standard of living dropped from the third highest in the world to the thirteenth in the world.

● (1415)

The Minister of Finance, when last asked, could not even make up his mind on a budget date. I wonder whether the Minister of Finance could tell the House of Commons now when he will bring in a budget, whether or not it will be a final date, or whether the priorities of the Prime Minister will push the economy further into the background again.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it was my intention to have a budget on November 3. That date would have been respected had the premiers accepted the Prime Minister's invitation to meet on this very day.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: They had been asked to meet in Ottawa on this very day. I do not see them doing anything very much else this week. They could have been meeting in Ottawa. Instead, they chose next week, which made a budget date impossible.

Some hon. Members: Oh, oh!

Mr. MacEachen: As the Prime Minister stated in the telegram to the premiers, their choice of next week necessitated a postponement of the budget for one week.

Some hon. Members: Why?

Mr. MacEachen: Because of comments which were made in the House with respect to Tuesday of that week, I have now decided that an appropriate date would be Thursday, November 12.

Miss MacDonald: What about Christmas Eve?

BASIS FOR PREPARATION OF BUDGET

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, most of us expect that the budget will be brought in on Christmas Eve, if at all.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, it is very difficult to put questions with the Liberal party trying to howl down questioners in the House of Commons.

Some hon. Members: Oh, oh!

Mr. Clark: Let me ask the Minister of Finance, who is the past master in the House of Commons of people not doing anything, whether he is basing his budget on the premise that Canada is in a recession?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it might have been better if the former Prime Minister had brought in his budget on Christmas Eve.

Some hon. Members: Hear, hear!

Mr. MacEachen: I have no doubt that budget dates constitute a very painful memory for the Leader of the Opposition because the budget he brought down, through his minister of finance, as was stated by a distinguished journalist, destructed upon impact.

DROP IN ECONOMIC INDEXES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am not sure whether the Minister of Finance heard the question. We know that he voted against the last true budget brought down in the House of Commons in December, 1979.

Some hon. Members: Hear, hear!

Mr. Clark: Does the Minister of Finance recognize and accept as true the facts that domestic automobile sales in the country are down as much as 80 per cent, that the demand for steel is soft and softening, that in September employment was down by 63,000 Canadian jobs on a seasonally-adjusted basis, that the forest products industry is in sharp decline, that housing starts are plummeting, that Canadians are being forced off their farms, that fish plants are being forced to close on the east coast, and that Canadians are in crises across the country? Does he accept those facts as describing the economic reality in Canada today? If so, whenever he brings in his budget, this three-times delayed budget, will it address those economic problems and face the economic crisis and the recession which are developing in the country today?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Leader of the Opposition reminded me that I voted against his budget.

Mr. Nielsen: Higher fuel prices.

Mr. MacEachen: I remind him that the Canadian people could not wait to get a chance to defeat it in an election campaign.

Some hon. Members: Try them now, Allan.

Mr. Nowlan: Try them now with your budget, and you will see that it is Friday the thirteenth.

Madam Speaker: Order, please. It looks as if we are off to a bad start.

Some hon. Members: Oh, oh!

Madam Speaker: I would appreciate not too much heckling.

• (1420)

Mr. MacEachen: I wonder who is howling down whom at the moment. Quite apart from all the erroneous premises stated by the Leader of the Opposition in his question, I should like to tell him that I intend to address the economic problems facing the country, in the budget. I was prepared to bring in the budget next week and would have been on schedule except for the premiers. I want to tell the Leader of the Opposition that I have been reading the speech that he gave in New York yesterday to the Centre for the Study of the Presidency, at Fordham University, and I do not find very much advice in it, I must say.

* * *

INCOME TAX

QUERY ON POSSIBLE INTRODUCTION OF PERSONAL TAX INCREASES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am tempted to ask the Minister of Finance whether there was a new tradition, or should we call it a new convention, of asking the premiers when we can have a budget in this House.

The Leader of the Opposition outlined a number of very difficult economic facts about the economy today. He has referred to the very difficult state of the economy. When there are 900,000 people unemployed, when we have 20 per cent plus interest rates which are three or four percentage points higher than in the United States, when we have had energy price increases of 50 per cent in the last year, which are purely and simply increased taxes to the federal government, does the Minister of Finance believe it is appropriate for him to bring in personal tax increases as he has been suggesting over the past few months?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not recollect making a suggestion that I intend to bring in personal tax increases. I do not recollect making any such statement. If the hon. member has a quotation to that effect, I would be glad to hear it. Certainly, quite apart from what might have been said in the past year with respect to a budget, I do not propose, in the very few days before such a budget, to begin to disclose the budget policies at this stage.

In the opening sentence of his question the hon. member advised me that I should not ask the premiers about a budget date. I would remind him that, when he was part of a government, it operated on the advice from premiers.

Some hon. Members: Oh, oh!

THE ECONOMY

REQUEST THAT MINISTER MEET WITH PUBLIC GROUP ON NOVEMBER 21

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am not asking the minister to disclose what is in his budget today, but since he has continued to delay the date of the budget, and since he did hold out in the month of June the possibility of personal tax increases, I am asking him today to ease the emotional stress on Canadians who are suffering such great hardship from the facts I outlined in my first question.

On November 21 there will be a large number of very angry Canadians in Ottawa who will want to meet with the minister to discuss the very difficult state of the economy. Will the minister commit to the House today that he will meet with this group of people, or will he slough them off to the minister in charge of housing, as he did with the convoy of anger in September, or avoid them as he did in the byelection in Spadina, when he left his friend, Jimmy Coutts, swinging in the breeze?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not received any such invitation to meet with a group coming to Ottawa on November 21. If I have an opportunity to present my budget before that date they will probably decide it is not necessary to come.

Mr. Clark: What do you mean "if"? Are you delaying again?

* * *

AGRICULTURE

EFFECT OF INTEREST RATES ON FARMERS—MINISTER'S POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Agriculture. This morning's press reported Mr. Robert MacIntosh, president of The Canadian Bankers' Association, as making the incredible assertion that very few Canadian farmers are actually suffering because of high interest rates. Will the Minister of Agriculture now confirm that he has sent a document to the Minister of Finance describing the current prices in Canadian agriculture as being a direct result of high interest rates, and furthermore calling for an expansion of the farm interest subsidization scheme, in the same document? Will he first confirm that he has sent such a document; second, tell us what the response was; third, make that document available to all hon. members of the House?

● (1425)

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, consultation between myself and the Minister of Finance is so common that I would have to check all the documents and letters which are exchanged between ministers, but the hon. member knows that those are strictly confidential at this stage of the game in which we are involved. I would have to review those.

However, the hon. member makes mention of The Canadian Bankers' Association. We dispute the figures which Mr. MacIntosh has used. For instance, he said that I have only given ten cases to the association. Our records show that we have given it approximately 80 cases and have had very little response. Therefore, we go directly to the banks with which those people are dealing. I believe about 600 cases have been referred to us.

Also, if the hon. member wants to refer to an article in *The Globe and Mail*, a report has been put out by my department showing the forecasts and referring to bankruptcies in the agricultural community of Canada. Those are particularly farmers who have not involved themselves in some kind of a marketing organization, and are looking after themselves. Those who are in the red meat industry are the ones who are in the deepest difficulty of all.

Therefore I would say to the hon. member that I am sure he knows that I had many people in my office this morning, and my door is always open. If he wants to come in we can discuss what I think the problems are, so he can have the first hand information that is provided to me.

REQUEST FOR COMMITMENT ON BUDGET

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister has taken some time to say that he flatly disagrees with the spokesperson for the banks. I want the minister to know that we, over on this side of the House, and all Canadian farmers, flatly disagree with the banks as well. But instead of just following what his colleague, the minister responsible for public housing has done in making nice admonitions about what the banks should be doing, is he now prepared to say to the House of Commons and, more particularly, to the farmers of Canada, that when that budget comes down there will be specific relief directed at the number one cause of their problems, namely, high interest rates? Will he now make that commitment in the House of Commons?

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Again, the hon. leader of that party over there shows his ignorance of the farming industry by blanket covering the total farming industry. The total farming industry is not in financial difficulty. As I said—

Mr. Broadbent: I didn't say it was.

Mr. Whelan: —certain sectors are quite well off economically. They are not suffering at all. Some have some difficulties, and some have really rough difficulties. I have made my submission to the Minister of Finance. Both he and the Prime Minister have stated that those people in dire need will be looked after. I am talking about those people—

Some hon. Members: Oh, oh!

Mr. Whelan: —who really need assistance. I still say that under the Bank Act there is room for the banks to do some of the things that we are suggesting they should do and as the minister responsible for public housing has suggested. As early as April 27 I met The Canadian Bankers' Association and suggested some of those things to them. As far as Mr. MacIntosh of The Canadian Bankers' Association is concerned, I do not believe he represents the total banking industry because to the submissions that we made to him and his organization—

Some hon. Members: Order.

Mr. Whelan: —they were not that responsive. We found more direct response from going to the banks concerned.

MINISTER'S REPORTED STATEMENT ON FUTURE COURSE OF ACTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister knows, and the farmers who are directly affected know, that he has been responsible for raising the Farm Credit Corporation loan rate recently by some 3 per cent, and that has not helped farmers who are in difficulty one little bit.

I am well aware that some sectors of the farming community are not in difficulty, but the minister has been saying for weeks that, overwhelmingly, those who are in difficulty are there because of high interest rates. Because the minister has promised, not once but several times, and as recently as October 8, that he would resign unless something were done about bringing down high interest rates which affect farmers, will he now say in the House of Commons that, if we do not get effective programs on high interest rates as they affect farmers, he will give us his resignation?

• (1430)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the tape of that statement was made in a great little town that I am sure the hon. member knows.

An hon. Member: "Dire Straits."

Mr. Whelan: He pretends he is a labour leader. Their headquarters are near Port Elgin where many farmers are located. The tape clearly says something different from what he says I said.

Some hon. Members: Oh, oh!

Mr. Whelan: It depends on how one interprets things. I said that I would have to reconsider my position as Minister of Agriculture and staying on as Minister of Agriculture—that is clear as a bell on the tape—

Some hon. Members: Oh, oh!

Mr. Whelan: —if something was not done about bettering the marketing conditions of the farmers. That tape didn't say a word about interest rates.

Some hon. Members: Oh, oh!

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—REQUEST FOR RELIEF FOR HOME OWNERS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, since July, 1980, both in committee and in this House, my colleague, the hon. member for Simcoe North, and I have been trying to get answers from the government on what it intends to do about the urea formaldehyde foam insulation mess. Now 100,000 home owners across Canada want answers. People who installed UFFI are today launching a write-in campaign to the Prime Minister and four cabinet ministers. I want to ask one of those ministers, the Minister of Consumer and Corporate Affairs, what will be his response to a form of immediate relief for these people?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the hon. member knows very well that several months ago, the government announced a five-point program to help people who are facing this problem. Tests are being carried out throughout Canada, and as soon as the results are known, the owners of the homes tested will be informed of the UFFI content. Also, a review board is now holding public hearings in various Canadian cities. The board is acting under the Hazardous Products Act, according to which a company may appeal a decision by the government to ban this product, and a review board must be established to hear the case and to decide whether or not the product is hazardous. I have already informed the House that as soon as the board's work is completed, I shall publish the report, at which time decisions will be made based on the board's recommendations and findings.

[*English*]

COST OF REMOVAL FROM HOMES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I have a supplementary question. The minister knows as well as I do that whenever the review board makes its recommendations to the government and whenever the testing is finished, it will be some time well into next year. In the meantime hundreds of thousands of people are worried about what to do with the material, whether they should have it removed or whether they should reinsulate their homes. They cannot wait around.

Since the Quebec government tomorrow will officially approve an aid program through the Quebec consumer protection office, will the Minister of Consumer and Corporate

Affairs tell this House whether the federal government—because it was his government which got these people into the mess in the first place—will give immediate and favourable consideration to paying the cost of removing UFFI and restoring homes to their original condition?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think that the hon. member, like many other Canadians, is mistaken when he says it is the Canadian government's fault that this product was used by home owners in the first place. What actually happened, as the hon. member should know, is that the product was approved by a body consisting of representatives from the public and private sectors. A group of 28 representatives approved the product, while setting certain specific conditions for its use. Now, if some contractors, who are licensed by the provinces, failed to instal this product properly, with unpleasant consequences for home owners, the blame lies first of all with the manufacturers of the product, second, with the contractors who did not instal it properly; and finally, much of the blame lies with the provinces which failed to set very specific standards when large numbers of contractors started getting into the home insulation business. If the Quebec government is indeed intending to set up a program to help home owners, I must say I am very pleased, and I hope other provinces will do the same, because at the last conference of consumer affairs ministers, I asked the provinces, through their ministers, to shoulder their responsibilities in this respect.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is for the Minister of National Health and Welfare. The insert, entitled "Only a Beginning", which was included with the last mailing of family allowance and old age security cheques, dealt with government initiatives pursuant to the recommendations contained in the report entitled "Obstacles", which was the report of the Special Committee on the Disabled and the Handicapped. The insert reads:

> To date some 56 of the recommendations have been put into effect.

Will the minister table this up to now secret list?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, there is no need for me to say that the member is being dramatic about the situation, something which is unwarranted. In the insert there is a reference to the fact that action has already started on 56 of the recommendations in the very good report called "Obstacles", of the House of Commons Special Committee on the Disabled and the Handicapped. I have just heard that there seems to be no official record of specifically which ones.

Some hon. Members: Oh, oh!

Miss Bégin: However, I could probably table them tomorrow. I will make sure it is only a short space of time before this is done. For example, of the 56 recommendations, recommendation number 19 speaks of the affirmative action program for the employment of the handicapped, which I believe my colleague passed last January or February, and so on, with respect to public access to federal government buildings. I will table this as soon as possible.

POLICY ON DISCLOSURE OF CABINET DECISIONS

Mr. Bruce Halliday (Oxford): Madam Speaker, is it the policy of the minister, in view of the fact that members have already been asked what these 56 initiatives are, to distribute at taxpayers' expense decisions which have not yet been approved by cabinet or given to members of the House of Commons?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member is making a drama of something that is not. May I repeat to the hon. member that the report entitled "Obstacles" has been, as usual, processed through what is called an interdepartmental committee because all federal departments and agencies are concerned with its implementation. For the sake of practical purposes, I was asked to co-ordinate that. This has gone through our usual government process. As I said, the list will be tabled as soon as possible.

DATES FOR IMPLEMENTATION OF DECISIONS

Mr. Neil Young (Beaches): Madam Speaker, my question is also for the Minister of National Health and Welfare. The pamphlet to which the hon. member for Oxford referred does not mention the minister or the cabinet contemplating the introduction of those recommendations. What the document refers to is the cabinet having put into effect 56 of the recommendations found in the report entitled "Obstacles". Will the minister tell the House now whether those decisions have been approved by cabinet, and will she tell us when they will take effect, rather than giving us the speculation she gave in her previous answer?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I shall repeat what I just said. I assume the member was getting ready to ask his question and then felt he could not remain seated, because it seems to me my answer was quite clear. The insert with the October family allowance cheques, which was received today or will be within the next few days, mentions the report's 56 recommendations that are about to be implemented. Obviously, it is due to some lack of communication that the list was not tabled in the House. I was informed of this before entering the House, and I

told the hon. member that I would table the list tomorrow, if possible.

● (1440)

[*English*]

CABINET APPROVAL

Mr. Neil Young (Beaches): Madam Speaker, my supplementary question is directed to the minister. Will the minister simply advise the House whether those 56 recommendations have been approved by cabinet, yes or no?

Hon. Monique Bégin (Minister of National Health and Welfare): No, I will not answer that, Madam Speaker.

* * *

IMMIGRATION

ADMISSION OF POLISH REFUGEES—RESULTS OF MINISTER'S CONSULTATIONS

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is for the Minister of Employment and Immigration. This past weekend the Polish Alliance of Canada at its thirtieth biannual convention in Toronto raised the question of what the federal government is doing to help Canadians bring over relatives and non-relatives from Poland to Canada. Over a week ago the minister promised to report to this House the results of his consultations with the Canadian Polish Congress and other community groups regarding additional measures to respond to the increasingly serious situation affecting the Polish people. Is the minister prepared to report on the results of his consultations, and to make a statement on this important issue?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin with I would like to thank the hon. member for Parkdale-High Park, as well as other members of this House who, through the special parliamentary committee on the situation in Poland, have been very helpful to me in organizing discussions with members of the Polish community. Those discussions pointed out that the major concern of Polish Canadians was the fact that many of their relatives, faced with very serious uncertainty in Poland, have only the recourse of coming out as visitors or under the self-exile refugee class. Taking this into account, Madam Speaker, we are prepared to initiate a series of special measures designed to help the relatives and families of those in Poland. To begin with, we would be encouraging the people coming out of Poland who have families here prepared to sponsor them, to apply as landed immigrants rather than as visitors, and we are going to ask our officials to relax the criteria for that selection.

Second, for those who are already here as visitors from Poland, we will land them immediately in Canada. For those who do not have families here we will grant them minister's permits for a year, and review the situation and the situation in Poland. I believe these measures respond effectively to the concerns that were raised and they are very much in the tradition of this parliament and this government in responding to special circumstances, particularly as they relate to families.

Some hon. Members: Hear, hear!

* * *

FISHERIES

EFFECT OF HADDOCK QUOTAS ON INSHORE FISHERMEN IN NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. The mayor and council of Lockeport and Shelburne, Nova Scotia, have indicated their concern, by telegram to me on behalf of the fishermen of Shelburne County who do not understand and who are not adequately informed by the department about government fisheries conservation policies and how they work. I therefore wish to ask the minister, in view of the impact which the new restrictive quotas on haddock will have on the inshore fishermen and the unemployed in Nova Scotia, will he immediately postpone any further action on this issue until discussions can be held with Nova Scotia's fisheries associations to clarify the matter?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the consultations before such decisions are made are usually exhaustive. It may be in this area of the fisheries that there are fragmented groups and it is rather difficult to get full consensus, but certainly my policy has been very clear. There are exhaustive consultations before decisions are made.

REQUEST FOR REVIEW OF QUOTAS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans. There is a genuine fear and concern, as the minister well knows, among Nova Scotia fishermen that haddock quota restrictions are based on inadequate scientific research. I would, therefore, ask the minister, since the over-all fishery could be improved, if the government considered a review of the size limit, gear restrictions as they apply to mesh sizes, and closed areas for spawning purposes on Georges Bank, hopefully with consultation with the Americans, so that this plan would be effective, and will he consider a haddock by catch allowance and, if not, what species in his directed fishery will be made available in order to allow the large inshore fishery, which represents something like 90 per cent of the fleet in the area, to continue its operations?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I will study the hon. member's representations very carefully.

VIA RAIL

COURT ACTIONS SEEKING INJUNCTION TO HALT CANCELLATION OF SERVICES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Transport who yesterday stated he would delay the imposition of his cutbacks in VIA Rail if a court decided an injunction was in order. As the minister now knows, an action has been filed by a group in Saskatchewan; a group in Alberta is contemplating action with respect to VIA Rail, and another group in Ontario is likely to file its proceedings sometime later this month, as will possibly a group in New Brunswick. Having acknowledged that he will obey the law if an injunction is issued by one of these courts, will the minister at least facilitate the court actions by having a proper reference to the appropriate court in order to have this matter settled once and for all; that is, does he have the legal right to do what he intends to do on November 15?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not know exactly what the hon. member has in mind. I consulted with my lawyers this morning and they were trying to find more information about the way the legal action was taking place. I am going to wait until I have received their report, maybe a little later this afternoon, to see what I can do.

REQUEST THAT MINISTER GIVE FINANCIAL ASSISTANCE TO GROUPS TAKING COURT ACTION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I have the statement of claim that was filed with respect to the Saskatchewan action and it very clearly claims that the order in council the minister is relying on is invalid and a nullity, and the fact that it has not been registered as is required by the Statutory Instruments Act makes it of no force and effect.

Would the minister indicate, if he is not willing to facilitate the concern and the court actions to which I have already referred, that he will at least meet half way the groups that are concerned, by undertaking to give them some financing to further their actions, and second, delay until the courts have a decent time to adjudicate this matter of the final imposition of his VIA cutback as he contemplates it?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think my friend is sufficiently aware of how these things are done to know that very, very careful reading of the law and opinions of the Justice Department are asked for before action is taken. Last night during the debate I specifically put on the record Section 64 of the National Transportation Act, for those who had not read it yet. A reading of the law itself and of all the interpretations I have seen, and I have checked even on decisions of the Supreme Court, which is usually useful in these matters, indicates that there is no limitation to the action the government can take in this matter. There is no way I can infer, imply or intimate that I am not sure of the grounds we have used. It seems to me it is the responsibility of those who have taken the action to justify it. I was reading an interview with one of them this morning and he just said he thought he had a good case. I have never heard a lawyer who did not say that.

RATIONALE BEHIND GOVERNMENT'S POLICY

Hon. George Hees (Northumberland): Madam Speaker, I should like to address a question to the Prime Minister. Will he outline to the House the rationale behind his government's policy of being willing to spend a very great deal of the taxpayers' money in upgrading fast passenger rail service between the four cities of Quebec, Montreal, Toronto and Windsor, all of which already have a great deal of fast airline service to serve those who wish to travel quickly between those important centres, while at the same time denying to a great many centres in western Canada, Atlantic Canada and Ontario, passenger rail service which they rely on very heavily throughout their daily lives?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the rationale is that there is a limit to the absolute number of dollars a government can expend to take up the deficit. We now know from the Minister of Transport that the deficit is approximately half a billion dollars. As the minister pointed out, that is a lot of money. We are trying to reduce that kind of spending.

The hon. member made the point that a lot of people rely on these services. I think he has given the answer to the question. When many people do rely on and use the services, for example, between the cities he mentioned, it becomes economically possible to have that kind of service. In cases where people do not use the service in great number—

An hon. Member: They do.

Mr. Trudeau: —it becomes economically difficult to subsidize it forever.

An hon. Member: What about Mirabel?

Mr. Trudeau: I was looking at the figures—

An hon. Member: How about Mirabel?

Mr. Trudeau: —on transcontinental travel. It appears that for every ticket of $50 paid to move from the Atlantic coast to central Canada—

An hon. Member: It is $100 at Mirabel.

Mr. Trudeau: —the taxpayer has to pay $150. In other words, the taxpayer subsidizes each ticket by paying three times as much as the traveller does.

An hon. Member: Mirabel is $100.

Mr. Trudeau: If you examine the figures for the service from the west coast, it is almost as great. For every dollar paid by the traveller, the taxpayer pays $2.

An hon. Member: How about Mirabel?

Mr. Trudeau: That is the rationale, Madam Speaker. People are not using the railways—

An hon. Member: It is the same as the airlines.

Mr. Trudeau: —as they did 100, 50 or 25 years ago. That was the statement made so ably by the Minister of Transport yesterday.

Some hon. Members: Hear, hear!

QUERY RESPECTING GOVERNMENT POLICY

Hon. George Hees (Northumberland): The procedure followed recently by the former Board of Transport Commissioners was to meet and allow a hearing before affected passengers in any part of the country where there was a threatened or proposed discontinuation of passenger rail service. The Board listened to the people concerned and, if they put forth suggestions which the Board considered reasonable, the railways were required to put those suggestions into effect to see if that would bring the revenue up to the required amount. That has all been done away with now.

I therefore ask the Prime Minister if his government's policy in this regard could not best be described as one which says that "if you are a large city with a large preponderance of Liberal members within your borders, nothing is too great, too much to ask for, or receive? If you are not, just forget it. Go to hell."

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me the hon. member has spoiled the seriousness of his question by the ending he put to it. He asked me for a rationale, and I gave him one. If he disagrees with that rationale, I wish he would state it. I think he would be the first to realize that there is a limit to the amount of deficit spending a government can envisage on a service which is losing more and more money every year.

An hon. Member: What about Mirabel?

Mr. Trudeau: Surely there has to be in government—

An hon. Member: What about Mirabel?

Mr. Trudeau: Madam Speaker, if they want to ask questions about Mirabel I take it you will recognize supplementary questions. I am dealing with one question at a time as is my wont, Madam Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Testy!

FISHERIES

REQUEST FOR REVIEW OF REGULATIONS GOVERNING BRITISH COLUMBIA SALMON CATCHES

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Minister of Fisheries and Oceans. A review of the 1981 fisheries season in British Columbia indicated a marked improvement in the net-caught species while the troll-caught species, chinook and cohoe salmon, were below average.

In view of the fact that the troll fleet has come under very severe regulations which reduced its season, with catches below average, would the minister now have his department assess those regulations after the season, and also review the complaints of many people in the sports fishing industry and troll fishing industry that the same fleet in particular is catching a lot of juvenile stocks and is depleting the juvenile stocks which are in particular difficulty in British Columbia? Would the minister review the regulations and the approach to the same fishery for juvenile chinook?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I thank the hon. member for recognizing that this has been a reasonably good season. In fact it was quite good in some areas. Conservation measures we took for chinook and cohoe were fully justified. We may quibble over whether or not the share that some particular group took was reasonable. That will be reviewed before the next season.

I certainly thank the hon. member for the support which was contained in his opening statement.

SALMON ENHANCEMENT PROGRAM

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, this indicates there is some danger in giving credit to any minister for improvement which may generally be an improvement of the year's catch. I think we can safely say we are pleased for the net fishermen that they did have a good season considering the difficulty they had last year.

In view of the importance of the sports fishing industry and the troll industry in British Columbia, the importance of chinook and cohoes to those two industries, and realizing there is some real danger in the stock depletion of both those species, would the minister consider beefing up the salmon enhancement program and budget, to direct a lot more attention to the chinook and cohoe to protect the sports and troll fishing industries in British Columbia?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I think the hon. member's suggestion is a very good one. As he knows, the salmon enhancement program is not directed on a day to day basis by the minister or by the department, but by a board which has representatives from all segments of the industry. They set the priorities. I do not take issue with that procedure, and I will make sure the hon. member's representations are transmitted to the board.

THE ENVIRONMENT

INCREASED GRANTS FOR CONSTRUCTION OF MUNICIPAL SEWAGE TREATMENT SYSTEMS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of the Environment. In view of the minister's announcement today of increased assistance to municipalities in Ontario for sewage treatment systems under the Great Lakes Water Quality Agreement, for which I commend him, and in view of the high interest charges which will be incurred by municipalities in financing these projects during the course of construction, will the minister consider paying these grants to the communities, during the course of construction, rather than at the end of construction, thus avoiding very high interest charges?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, I thank the hon. member for his commendation. I know there are many members in the House who are interested in the increased grants which we announced this morning of another $65 million, which brings the expenditure by the federal government—

An hon. Member: It replaces the ones you cancelled.

Mr. Roberts: —in assisting in cleaning up municipal pollution to well over $600 million in the past decade. The final stages of this agreement are still being negotiated with the province of Ontario. We made the announcement this morning to give concerned municipalities sufficient time to take advantage of these benefits. I would be anxious, in whatever final arrangements we make, to assist municipalities that are hard-pressed, to meet their costs as efficaciously as possible. I will take the hon. member's suggestion and discuss it with my provincial colleague.

* * *

VIA RAIL

LEGALITY OF ORDER IN COUNCIL CANCELLING PASSENGER SERVICES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is supplemental to the one asked by my colleague from York-Peel. Is the Minister of Transport aware of the decision rendered by Mr. G. C. Eglington, counsel to the Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments, to the effect that the order in council eliminating 19 per cent of passenger rail service in this country, and I quote Mr. Eglington:

> —has never been registered at all, as a regulation, and certainly not within seven days of its making pursuant to Section 5 of that act. Never having been registered, it has not come into force and is, therefore, of no effect.

Is the minister aware of that ruling by a recognized legal expert, the counsel to a distinguished committee of the House of Commons and the other place? In light of the apparent fact

that his order in council is illegal will he not now agree to do two things; one, delay the effective date of abandonment of passenger rail service in this country and, two, make a reference to the appropriate court?

Some hon. Members: Hear, hear!

• (1500)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not aware, and I will attend to the matter immediately.

* * *

PETITIONS

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Monday, October 26, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. YOUNG—DISTRIBUTION OF PAMPHLET ON DISABLED AND HANDICAPPED

Mr. Neil Young (Beaches): Madam Speaker, I rise on a question of privilege. It arises from answers I received to my questions to the Minister of National Health and Welfare (Miss Bégin) during question period concerning the pamphlet "Only a Beginning" and the information contained therein. Because of the information that is contained in this pamphlet, my phone has been ringing off the hook, as have those of other members of the Special Committee on the Disabled and the Handicapped, people asking us to provide them with information on the 56 recommendations which the minister's department has claimed to have placed into effect.

I feel that my privileges as a member of this House and as a member of the Special Committee on the Disabled and the Handicapped have been violated by those actions of the minister, who has with deception misled two million disabled Canadians and their families by raising high expectations about what the government—

Madam Speaker: Order, please. I have to call the hon. member to order. He might have a grievance. He might feel he would have been better off if he had been informed prior to the minister sending this information through the mail to some of his constituents. The fact that constituents are telephoning him and asking him for supplementary information, which information I gather he may obtain in one way or another—and if he does experience difficulties in this respect I can sympathize

with him—I am afraid does not constitute a question of privilege.

Mr. Edward Broadbent (Oshawa): On the same question of privilege, Madam Speaker, with respect, I am not sure that the point was clearly understood. It was not a request for information. The minister got to her feet today and acknowledged that cabinet has not approved what she said was the case.

Madam Speaker: Order. That is a matter for debate. The ruling I just made will stand.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MISS MacDONALD—EFFECTS OF HIGH INTEREST RATES ON HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in addition to the 768 names of residents of Kingston and the Islands, home owners who are suffering from the high mortgage interest rate policy of the government, I would like to present a petition of an additional 87 names of residents of Kingston and the Islands who are seeking relief from the government's high interest rate policy and who are facing foreclosures and loss of their homes.

MR. HOWIE—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I ask leave to present a petition signed by 850 people from Plaster Rock, New Brunswick, requesting the government to retain VIA Rail passenger train service and the CN station at Plaster Rock. The petition assumes an added urgency with only 19 days left before the government's cruel termination decision takes effect.

MR. CORBETT—EFFECTS OF HIGH INTEREST RATES ON HOME OWNERS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I beg leave to present a petition signed by 1,000 home owners in the Kennebecasis Valley region of my constituency of Fundy-Royal who are thunderstruck at the indifference that is expressed by this government to the fact that these people may be in the position of losing their homes.

MR. LEWIS—EFFECTS OF HIGH INTEREST RATES ON HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, I ask leave to present a petition from home owners in Orillia, Ontario, in the riding of Simcoe North who believe that the current high mortgage interest rates are unjust and that no Canadian family should be forced out of their home. This petition contains some 3,354 names of people calling on the government to ease the burden being placed upon Canadian home owners by the present Liberal government.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

VIA RAIL

DECISION TO CURTAIL USE OF PASSENGER CARS

Mr. Les Benjamin (Regina West): Madam Speaker, I gave notice, I believe in the appropriate time, requesting that you accept a motion, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis), to move the adjournment of the House pursuant to Standing Order 26 for the purpose of debating a specific and important matter requiring urgent and immediate consideration, namely, the decision of VIA Rail with regard to the scrapping of railway passenger cars which would make it impossible to restore passenger rail service under order in council P.C. 1981-2171 should it be found to be illegal as a result of legal action started in Winnipeg, October 23, all of which makes it urgent that we have an immediate debate on the matter.

Madam Speaker: The hon. member is aware that on October 14 last I rejected a request for an emergency debate on a related subject to the one the hon. member is now proposing to discuss. I suggested to the House that other avenues could be sought to raise this subject matter. May I remind the hon. member that Standing Order 26(5) provides that, in determining whether a matter should have urgent consideration, the Speaker shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

Need I remind the hon. member that on Tuesday last the hon. member for Vegreville (Mr. Mazankowski) moved a motion under our supply procedures on the subject matter of VIA Rail, that the House discussed that motion and a decision was taken at the end of the sitting. Only yesterday the question of VIA Rail was again discussed in the House under a motion to concur in a committee report.

For all of these reasons, I regret that I cannot accept the hon. member's application.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, on a point of order. I know it is not appropriate to contest your ruling on this matter, but this is not a general question regarding VIA Rail. As the hon. member suggested, it has to do with the scrapping of cars.

Madam Speaker: Order.

Mr. Siddon: This cannot be rescinded later on.

Madam Speaker: That aspect was considered in the ruling I just made.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,399, 2,410, 2,433, 2,459, 2,658, 2,661, 2,696, 2,750 and 2,753.

[*Text*]

POSTAL SERVICE IN MANITOBA

Question No. 2,399—**Mr. Lewycky:**

What is the (a) number and rank of postal positions (b) type of postal service in (i) Boggy Creek (ii) Cowan (iii) Dropmore (iv) Eddystone (v) Kinosota (vi) Renwer (vii) Shellmouth (viii) Silver Ridge (ix) Waterhen in the province of Manitoba?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):

(a) All the post offices listed hereunder are group offices and are classified according to the workload and vary in group from one to 12. The Postmaster is the only post office employee.

(i)	Group 1
(ii)	Group 3
(iii)	Group 2
(iv)	Group 1
(v)	Group 1
(vi)	Group 2
(vii)	Group 1
(viii)	Group 2
(ix)	Group 3

(b) All of the above offices offer a counter service which is a general term describing all services provided to the public at post office counters. In addition, some of these offer a lock box service.

AGRICULTURE CANADA

Question No. 2,410—**Mr. Malone:**

1. How many persons who held the position of deputy minister, assistant deputy minister or branch head in the Department of Agriculture were (a) born in (b) lived for a period exceeding five years in one of the four western provinces?

2. (a) What is the number of persons at the executive level in the department (b) what are the names of employees at the top three levels in the department's administration who were born or lived for a period of time exceeding five years in western Canada?

Hon. E. F. Whelan (Minister of Agriculture): Agriculture Canada's mandate and programs concern agriculture in all parts of Canada and personnel are recruited on the basis of professional background and competence, not geographical origin. The number of persons at the executive level in the department is 14. Provision by the government of the personal details concerning these individuals requested in this question would be contrary to the spirit of the Canadian Human Rights Act.

RADIATION LEVELS

Question No. 2,433—**Mr. Blaikie:**

Did the Department of National Health and Welfare conduct studies on the effects of radiation and, if so (a) what were the names and who were the authors of the studies (b) did the studies show that amounts of radiation similar to the amounts that will be produced by the Uranium Trioxide Refinery at Blind River actually will increase the number of cancer deaths in the area and, if so, how many studies showed this?

Hon. Monique Bégin (Minister of National Health and Welfare):

(a) Yes. The department has conducted one study on the health effects of ionizing radiation on populations exposed to low levels. This was a study by E. G. Létourneau and D. T. Wigle entitled "Mortality and Indoor Radon Daughter Concentrations in 13 Canadian Cities", and was presented to a specialist meeting in March, 1980, in Rome, Italy. With the Ontario ministry of health, the department is sponsoring a "Study of the Health Effects (particularly in respect to cancer) of Low-level Exposure to Environmental Radiation Contamination in Port Hope, Ontario". This research will be conducted by the health research unit, department of community health and epidemiology, Queen's University, Kingston, Ontario.

(b) No. The study by Wigle and Létourneau showed no evidence of any substantial association between general or lung cancer mortality rates and indoor radon daughter concentrations.

The second study is not yet complete.

Studies of the effects of high background radiation on populations have repeatedly shown no deleterious effects. For example, Denver, Colorado has approximately double the background radiation (164 Mrem/y) than many places in the U.S. and yet the total cancer rate is lower than the 15 compared U.S. cities. (Health Physics Vol. 40 (May) p. 628, 1981).

Genetic studies in areas of high natural radioactivity in Brazil (Health Physics, Vol. 34 (January) p. 61-65, 1978) demonstrated no significant association between the level of radiation and the number of stillbirths, live births, congenital abnormalities and other parameters. This paper also illustrates the difficulty of performing acceptable epidemiological studies, as other factors may have a much greater influence on the data and hide the effects of radiation.

A study of radiation workers by Mancuso, Stewart and Kneale (Health Physics Vol. 33 (November) p. 369, 1977) purported to show a significant increase in deaths attributed to radiation-induced cancers. This work has been severely criticized for statistical shortcomings by many competent experts,

and cannot be accepted at face value. (Health Physics Vol. 37) (August) p. 207-220, 1979). It should be remembered that the doses considered in occupational exposure are many times greater than the background at any site in Canada.

The United States Committee on the Biological Effects of Ionizing Radiations (BEIR III) has published a large volume entitled "The Effects on Populations of Exposure to Low Levels of Ionizing Radiations". On p. 34 the authors state: "We lack adequate information on the effects of low radiation doses in human populations, and in this regard we still depend on concepts that have been developed on the basis of experimental studies". In 1977, the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) published its equally large volume entitled "Sources and Effects of Ionizing Radiation". On p. 4 (para. 11) the authors state: "Both for somatic and for genetic effects, it is important to estimate the likely frequency with which harmful effects may follow the low doses of radiation to which people may be exposed from fallout from nuclear explosions, from radioactive consumer products, from many medical uses of radiation and from the environmental or occupational exposures involved in power production from nuclear sources, as well as from natural sources and from human activities resulting in enhanced exposures to natural sources, as discussed below. In most cases, however, the available evidence as to the frequency with which harmful effects are induced by radiation is only obtained following exposure to substantially higher radiation doses".

In summary, it can be said that there is no evidence in the world literature that the minuscule increments in dose predicted at Blind River will have any deleterious effect on the health of the populations.

POSTAL SERVICE IN MANITOBA

Question No. 2,459—**Mr. Lewycky:**

What is the (a) number and rank of postal positions (b) type of postal service in (i) Alonsa (ii) Amaranth (iii) Arden (iv) Ashville (v) Barrows (vi) Benito (vii) Birch River (viii) Bowsman (ix) Camperville (x) Cayer (xi) Crane River (xii) Duck Bay (xiii) Durban (xiv) Ebb and Flow (xv) Ethelbert (xvi) Fork River (xvii) Garland (xviii) Gilbert Plains (xix) Glenella (xx) Grandview (xxi) Inglis (xxii) Kenville (xxiii) Lakeland (xxiv) Langruth (xxv) Laurier (xxvi) Lenswood (xxvii) Mafeking (xxviii) Makinak (xxix) Marius (xxx) McCreary (xxxi) Meadow Portage (xxxii) Minitonas (xxxiii) National Mills (xxxiv) Oak Brae (xxxv) Ochre River (xxxvi) Ogilvie (xxxvii) Pelican Rapids (xxxviii) Pine River (xxxix) Plumas (xl) Roblin (xli) Rorketon (xlii) San Clara (xliii) Shortdale (xliv) Sifton (xlv) Skownan (xlvi) Ste. Rose du Lac (xlvii) Swan River (xlviii) Toutes Aides (xlix) Valley River (l) Waldersee (li) Westgate (lii) Winnipegosis in the province of Manitoba?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):

(a) With the exception of Swan River, all the offices listed hereunder are group and grade offices and are classified according to the workload and vary in group from one to twelve and grade from one to six. Swan River is a staff post office and staff post offices are classified according to the workload and other standards, and vary in grade from seven to thirteen. But even if Swan River is classified as a grade seven post office, it is the only office in the following list where employees are classified differently.

	Number		Rank	
(i)	1		Postmaster	Group 4
(ii)	2		Postmaster	Grade 1
			Part time assistant	
(iii)	1		Postmaster	Group 4
(iv)	1		Postmaster	Group 5*
(v)	1		Postmaster	Group 3
(vi)	3		Postmaster	Grade 4*
		(2)	Part time assistants	
(vii)	2		Postmaster	Grade 3
			Part time assistant	
(viii)	3		Postmaster	Grade 3*
		(2)	Part time assistants	
(ix)	1		Postmaster	Group 4
(x)	1		Postmaster	Group 1
(xi)	1		Postmaster	Group 3
(xii)	1		Postmaster	Group 4
(xiii)	1		Postmaster	Group 4*
(xiv)	1		Postmaster	Group 2
(xv)	3		Postmaster	Grade 3*
		(2)	Part time assistants	
(xvi)	1		Postmaster	Group 5
(xvii)	1		Postmaster	Group 3
(xviii)	3		Postmaster	Grade 4*
			Assistant	
			Part time assistant	
(xix)	2		Postmaster	Grade 1*
			Part time assistant	
(xx)	3		Postmaster	Grade 5*
			Assistant	
			Part time assistant	
(xxi)	2		Postmaster	Grade 1*
			Part time assistant	
(xxii)	1		Postmaster	Group 4*
(xxiii)	1		Postmaster	Group 1
(xxiv)	1		Postmaster	Group 5
(xxv)	1		Postmaster	Group 4
(xxvi)	1		Postmaster	Group 2
(xxvii)	1		Postmaster	Group 4
(xxviii)	1		Postmaster	Group 3*
(xxix)	1		Postmaster	Group 3
(xxx)	3		Postmaster	Grade 4
		(2)	Part time assistants	
(xxxi)	1		Postmaster	Group 1
(xxxii)	2		Postmaster	Grade 4
			Assistant	
(xxxiii)	1		Postmaster	Group 1
(xxxiv)	1		Postmaster	Group 1
(xxxv)	1		Postmaster	Group 4*
(xxxvi)	1		Postmaster	Group 1
(xxxvii)	1		Postmaster	Group 2
(xxxviii)	2		Postmaster	Grade 2
			Part time assistant	
(xxxix)	2		Postmaster	Grade 2
			Part time assistant	
(xl)	5		Postmaster	Grade 6*
		(2)	Assistants	
		(2)	Part time assistants	
(xli)	2		Postmaster	Grade 2
			Part time assistant	
(xlii)	1		Postmaster	Group 2
(xliii)	1		Postmaster	Group 2*
(xliv)	2		Postmaster	Grade 1*
			Part time assistant	
(xlv)	1		Postmaster	Group 2
(xlvi)	4		Postmaster	Grade 5*
		(1)	Assistant	
		(2)	Part time assistants	
(xlvii)	6		Postmaster (PL 1)	Grade 7*
		(4)	Full time postal clerks (PO 4)	
		(1)	Part time postal clerk (PO 4)	

(xlviii)	1		Postmaster	Group 2
(xlix)	1		Postmaster	Group 2
(l)	1		Postmaster	Group 3*
(li)	1		Postmaster	Group 1
(lii)	3		Postmaster	Grade 4*
		(2)	Part time assistants	

(b) All of the above offices offer a counter service which is a general term describing all services provided to the public at post office counters. In addition, some of these offer a lock box service. Where indicated by an asterisk in part (a) above, there is also rural route service.

AUTOMATION OF LIGHTHOUSES

Question No. 2,658—**Mr. de Jong:**

1. From January 1, 1965 to January 1, 1980, by year, what was the total capital cost of automating lighthouse functions on the (a) west coast (b) east coast?

2. For the same period, which lighthouses were replaced by automated equipment and on what date for the (a) west coast (b) east coast?

3. For the same period, by year, on how many days were the automated facilities not operating on the (a) west coast (b) east coast?

4. For the same period, by year, how many Sperry-Rand videograph fog detection systems were (a) installed at (b) purchased for the (i) west coast (ii) east coast?

5. For the same period, by year, what was the total capital cost of the Sperry-Rand videograph for the (a) west coast (b) east coast?

6. For the same period, by year, what was the manpower complement for the actual operation of the manual lighthouse on the (a) west coast (b) east coast?

7. For the same period, by year, what was the increase in the number of man-years for servicing the manual lighthouse and the automated lighthouse for the (a) west coast (b) east coast?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1 to 7, see below. The information prior to fiscal year 1970-71 is not available.

1 and 5.

(amounts in thousands of dollars)

		70-71	71-72	72-73	73-74	74-75	75-76	76-77	77-78	78-79	79-80
1. (a)	West coast	$ 902	310	796	238	111	438	649	101		
(b)	East coast	$3,624	930	1,622	459	1,181	451	131			
3. (a)	West coast		0	0.5	0	0	.25	0	.75	0	
(b)	East coast		4.3	10.71	3.25	22.5	2.42	6.88	5.54	0.54	
4. (a)	Installed										
	West coast	2	1	9	7	4	2	3	5	2	
	East coast	10	52	43	33	16	6	9	3	1	1
(b)	Purchased										
	West coast	48				1					
	East coast	175				22					
5. (a)	West coast	$228				5					
	East coast	$831				99					
6. (a)	West coast	105	105	101	101	93	93	93	93	93	89
(b)	East coast	480	448	397	397	411*	411	409	399	389	349
7. (a)	West coast							2	4	0	3
(b)	East coast						3	6	7	3	7

*Increase due to LI collective agreement

2. (a) West coast

None.

(b) East coast

(i) In Maritimes region

Georges Island	1972
Eddy Point	1977
Sydney South Bar	1978
Carters Island	1979
Jerseyman Island	1979
Sandy Point	1980
Chebucto Head	1980
Point Lepreau	1980

(ii) In Laurentian region

Cap de Gaspé	1971
Cap de Rabast	1971
Pointe ouest	1971
Les Iles aux Perroquets	1971
Ile Plate	1971
Récif de l'Ile Blanche	1972
Pointe Heath	1972

GROSS NATIONAL PRODUCT

Question No. 2,661—**Mr. Gilchrist:**

1. For each year 1970 to 1980, what percentage of the gross national product was spent on research and development?

2. For the years 1970 to 1980, what was the trend as a percentage of the GNP?

3. In each year 1970 to 1980, what was the rate of inflation?

4. In each year 1970 to 1980, what was the value of the Canadian dollar against the currency of the United States, Great Britain, West Germany, Japan, Sweden, Italy and Switzerland?

5. In each year 1970 to 1980, what was the rate of unemployment?

Hon. J.-J. Blais (Minister of Supply and Services): For the years 1970 to 1980: 1. The percentage of the gross national product spent on research and development is shown in Table I.

2. The trends in research and development expenditures as a percentage of the GNP is also shown in Table I.

3. The rate of inflation, as measured by the consumer price index is shown in Table II.

Order Paper Questions

4. The value of the Canadian dollar against the currencies of the United States, Great Britain, West Germany, Japan, Sweden, Italy and Switzerland is shown in Table III.

5. The rate of unemployment is shown in Table IV.

Table I

Total R&D and trend as a percentage of GNP

	Total R&D Expenditures	GNP ($millions)	R&D Expenditures as a per cent of GNP
1970	1,061	85,685	1.24
1971	1,157	94,450	1.22
1972	1,184	105,234	1.13
1973	1,266	123,560	1.02
1974	1,485	147,528	1.01
1975	1,663	165,343	1.01
1976	1,798	191,031	0.94
1977	2,009	208,868	0.96
1978	2,328	230,353	1.01
1979	2,500	261,961	0.95
1980	2,737	289,859	0.94

Table II

Rate of inflation as measured by the consumer price index

	per cent change in the CPI
1970	3.29
1971	2.88
1972	4.80
1973	7.54
1974	10.91
1975	10.80
1976	7.51
1977	7.99
1978	8.96
1979	9.13
1980	10.15

Table III

Value of Canadian dollar against other currencies

	U.S. Dollar	British Pound	German Mark	Swiss Franc	Japanese Yen	Swedish Krona	Italian Lire
	Canadian dollars per unit-Average of noon spot rates						
1970	1.0440	2.5016	0.2863	0.2422	0.002916	0.2014	0.001665
1971	1.0098	2.4687	0.2900	0.2456	0.002912	0.1979	0.001634
1972	0.9905	2.4797	0.3108	0.2594	0.003270	0.2083	0.001698
1973	1.0001	2.4533	0.3782	0.3175	0.003696	0.2301	0.001720
1974	0.9780	2.2884	0.3785	0.3295	0.003354	0.2206	0.001504
1975	1.0173	2.2594	0.4144	0.3942	0.003430	0.2456	0.001560
1976	0.9861	1.7811	0.3920	0.3947	0.003327	0.2265	0.001190
1977	1.0635	1.8571	0.4586	0.4444	0.003980	0.2378	0.001205
1978	1.1402	2.1890	0.5691	0.6432	0.005480	0.2527	0.001345
1979	1.1715	2.4855	0.6394	0.7046	0.005375	0.2743	0.001410
1980	1.1690	2.7196	0.6444	0.6986	0.005183	0.2765	0.001368

Table IV

Annual Unemployment Rate

	Unemployment Rate
1970	5.7
1971	6.2
1972	6.2
1973	5.5
1974	5.3
1975	6.9
1976	7.1
1977	8.1
1978	8.4
1979	7.5
1980	7.5

MIRABEL AIRPORT

Question No. 2,696—**Mr. Robinson (Etobicoke-Lakeshore):**

What amount does the government spend each year to maintain Mirabel Airport and for how many years has it been contributing?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mirabel Airport has been operating since October, 1975, and operation and maintenance expenditures are as follows:

	Operations & maintenance ($millions)	Less revenue ($millions)	Less depreciation ($ millions)	Less loan+ interest ($millions)	Net cost to government ($millions)
1975/76	24.0	5.6	6.0	8.1	4.3
1976/77	74.8	25.0	16.1	29.1	4.6
1977/78	74.3	22.7	18.9	32.4	0.3
1978/79	78.2	25.8	18.1	35.8	(1.5)*
1979/80	47.0	26.6	17.9	–	2.5
1980/81	45.9	25.8	17.7	–	2.4
1981/82 estimated	50.0	21.5	18.4	–	10.1

* indicate surplus.

\+ includes loan interest which was applicable for years 1975-76 to 1978-79.

MR. CLAUDE BRUNEAU

Question No. 2,750—**Mr. Beatty:**

1. Was Mr. Claude Bruneau appointed to the board of the Canadian Film Development Corporation and, if so, on what date?

2. What is Mr. Bruneau's full-time job and with which company is he employed?

3. (a) Did the Minister of Communications state that Mr. Bruneau had a "very strong background in the film business" and, if so, what is the background (b) did Mr. Bruneau supply a curriculum vitae to the minister and, if so (i) did it include a reference to a background in the film business (ii) how many pages was it?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. Yes, Mr. Claude Bruneau was appointed to the board of the Canadian Film Development Corporation on June 18, 1981, for a period of five years.

2. Mr. Bruneau is vice-president of Power Corporation.

3. (a) When announcing Mr. Bruneau's appointment, the minister stated, "Claude Bruneau's background and experience in law and business administration will be a considerable asset to the Canadian Film Development Corporation."

(b) Yes.

(i) The curriculum vitae was provided to the government on a confidential basis and the minister is not at liberty to release its contents.

(ii) Two.

PUBLIC DEBT

Question No. 2,753—**Mr. Cossitt:**

For each year since Confederation, what was the cost of interest on the public debt and what were the public debt charges?

Hon. Pierre Bussières (Minister of State (Finance)): The federal government cost of interest on the public debt and public debt charges are shown in the table below for each year since Confederation.

Federal Government: Public Debt Charges

	Interest on Public Debt	All Public Debt Charges (incl. interest on the public debt)
	($ Millions)	
1867-68	4	4
1868-69	5	5
1869-70	5	5
1870-71	5	5
1871-72	5	5
1872-73	5	5
1873-74	6	6
1874-75	7	7
1875-76	6	6
1876-77	7	7
1877-78	7	7
1878-79	7	7
1879-80	8	8
1880-81	8	8
1881-82	8	8
1882-83	8	8
1883-84	8	8
1884-85	9	9
1885-86	10	10
1886-87	10	10
1887-88	10	10
1888-89	10	10
1889-90	10	10
1890-91	10	10
1891-92	10	10
1892-93	10	10
1893-94	10	10
1894-95	11	11
1895-96	11	11
1896-97	11	11
1897-98	11	11
1898-99	11	11
1899-1900	11	11
1900-01	11	11
1901-02	11	11
1902-03	11	11
1903-04	11	11
1904-05	11	11
1905-06	11	11
1906-07	7	7
1907-08	11	11
1908-09	12	12
1909-10	13	13
1910-11	13	13
1911-12	12	12
1912-13	13	13
1913-14	13	13
1914-15	16	16
1915-16	21	21
1916-17	36	36
1917-18	48	48
1918-19	77	77
1919-20	125	125
1920-21	140	140
1921-22	135	135
1922-23	138	138
1923-24	136	136
1924-25	135	135
1925-26	131	131
1926-27	130	130
1927-28	129	129
1928-29	125	125
1929-30	122	122
1930-31	121	121
1931-32	121	121
1932-33	135	135
1933-34	140	140
1934-35	139	139
1035-36	135	138
1936-37	137	141
1937-38	132	141
1938-39	128	133
1939-40	129	135
1940-41	139	146
1941-42	155	172
1942-43	189	203
1943-44	243	262
1944-45	319	340
1945-46	409	438
1946-47	464	477
1947-48	455	467
1948-49	465	475
1949-50	440	451
1950-51	425	439
1951-52	520	531
1952-53	451	465
1953-54	476	496
1954-55	478	502
1955-56	493	514
1956-57	520	534
1957-58	539	567
1958-59	607	648
1959-60	736	784
1960-61	757	798
1961-62	803	839
1962-63	882	918
1963-64	955	994
1964-65	1,012	1,051
1965-66	1,077	1,111
1966-67	1,156	1,191
1967-68	1,270	1,301
1968-69	1,443	1,480
1969-70	1,676	1,717
1970-71	1,877	1,920
1971-72	2,091	2,137
1972-73	2,274	2,301
1973-74	2,548	2,566
1974-75	3,164	3,239
1975-76	3,909	3,972
1976-77	4,662	4,721
1977-78	5,473	5,550
1978-79	6,857	7,058
1979-80	8,339	8,524
1980-81(Preliminary)	10,500	10,687

Order Paper Questions

Note: Figures for 1972-73 to 1980-81 are in line with the accounting changes incorporated on a revised accounting basis in section I of the 1979-80 public accounts. For the years 1867-68 to 1971-72 inclusive, the figures are consistent with each other but are not strictly comparable with 1972-73 and subsequent years. An indication of the non-comparability of the two series is as follows: if 1972-73 had been calculated on the same basis as for 1867-68 to 1971-72 then the 1972-73 interest on the public debt would have been the same at $2,274 million, but the 1972-73 public debt charges would have been $2,321 million instead of $2,301 million. For 1905-06 and earlier years, figures relate to the 12-month fiscal year ended June 30. For 1906-07 figures relate to the 9-month period commencing July 1, 1906, and ending March 31, 1907. For 1907-08 on, figures relate to the 12-month period ending March 31.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 2,104 and 2,148 could be made orders for returns, the returns would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall questions Nos. 2,104 and 2,148 be deemed to be passed as orders for returns?

Some hon. Members: Agreed.

[*Text*]

HERD MAINTENANCE PROGRAM

Question No. 2,104—**Mr. McKnight:**

1. For each rural municipality in Saskatchewan, what was the number of applications (a) received (b) approved (c) rejected under the Herd Maintenance Program?

2. For each rural municipality, what was the total dollar amount and percentage received from the Program?

Return tabled.

Question No. 2,148—**Mr. Korchinski:**

1. For each municipality or county in the three prairie provinces, how many applications were (a) received (b) approved under the Herd Maintenance Program?

2. (a) In each municipality or county, how many rejections were made as a result of the amount of precipitation in each region (b) how many rejections in each case were there as a result of crop yields?

3. (a) How many applications were received from cattlemen who are not involved in grain farming (b) how many in each municipality in Saskatchewan (c) how many rejections were there in each case?

4. What is the relationship between the crop yield and hay yield?

5. (a) On what date was there a general rain recorded in each of the three Provinces (b) what amount of rain was recorded in each of the municipalities or counties?

6. (a) To be of any appreciable value, when does the Department of Agriculture recommend that hay be cut (b) what amount of rain was received in each of the areas until the recommended date for cuttery (c) would rain that was received in August be of benefit for such hay crop?

Return tabled.

[*Translation*]

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1510)

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Friday, October 23, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very eager to speak on Bill C-48, and have been since last July.

Mr. Benjamin: I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Regina West on a point of order.

Mr. Benjamin: Mr. Speaker, in order to give the government an opportunity to reconsider what is being done by VIA Rail on the scrapping of railway cars and abandonment of VIA Rail passenger routes, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House do now adjourn.

An hon. Member: The Chair has already ruled on that.

Mr. Deputy Speaker: I am not prepared to accept such a motion on a point of order. The hon. member sought the floor on a point of order. This motion cannot be accepted under these circumstances.

Mr. Dantzer: Mr. Speaker, as I earlier indicated, I have been eager to speak on Bill C-48 since last July. I did not like

the bill in July. The long, hot summer months have not changed my opinion of this bill.

Unfortunately, even though I do not like the legislation, it is an important piece of legislation, and I think can only compare with the Constitution reference in the effects it will have on this country. I was fortunate to be one of the members to sit on both the constitution and natural resources committees. The country showed great interest in appearing before both committees. It has been said before that some 135 hours was spent studying Bill C-48 in the committee. There were about 140 witnesses. It is interesting to note that of all those witnesses that appeared before the committee in regard to Bill C-48, I do not believe one of them agreed with the general contents or the details of this bill. There was a great deal of opposition to the bill. Most of the people who appeared before the committee sensed what was happening and how important this legislation was.

Perhaps the importance of this legislation has been overlooked by the press and the country. We should know and be aware that it has not been overlooked by the government. Mr. Speaker, I should like to quote what the Minister of Energy, Mines and Resources (Mr. Lalonde) said when he introduced this program. He said:

> This new program will impinge on almost every sphere of Canadian activity, on the fortunes of every Canadian, and on the economic and social structure of the nation for years to come.

The minister has at least been honest in telling the Canadian people what he is trying to do. I think we ignore him at our peril, just as we in his country and other countries ignored Adolf Hitler when he tried to warn us what he was about to do. I think we should pay clear attention to what the minister intends to do, because he said that this legislation will impinge on the fortunes of every Canadian. Surely those are true and accurate words.

The opposition parties on the committee put forth many amendments during the committee stage. This is proof that the bill was far from perfect when it was first presented. It is an indication of the government's railroading of this bill and others that they did not accept one single amendment at the committee stage. No one can convince me that all those amendments were bad and were not pertinent to the problems that were brought out at the committee stage. We are now debating a large number of those amendments. We should debate them slowly and carefully, so that the people of this country are fully aware of what drastic changes this legislation will bring.

Motion No. 21 reads as follows:

> (2) Her Majesty in right of Canada is hereby vested with and the minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of 50 per cent.

This motion directs itself to ownership and to Canadianization. Canadianization, like motherhood, is something we all agree with. It is a word often used, and I suggest maligned, by the government in support of this particular measure.

The Conservative party, of course, is in favour of Canadianization. I am sure even the NDP is in favour of Canadianization, as is everyone in Canada, but not the kind of Canadianization practised by this government. We are in favour of Canadianization. We are not in favour of socialization and we are not in favour of nationalization, and this is what Bill C-48 is all about.

The debate on Bill C-48 at the committee level and in this House, and the debate on the Constitution at the committee level and in this House, really stems and flows from an essential difference in philosophy between this side of the House, the Conservative party, and the governing party. The government has indicated quite clearly, through its legislation, both proposed and in progress, that they favour a centralized, unitary form of government, central control, control of resources by the government. In fact, they have indicated they are prepared to go quite a long way down the road to socialism in order to achieve their goal.

The Conservative party has consistently defended the federal nature of this country; the free enterprise, economic nature that we have been adopting so successfully throughout our history. We indicated, and we still feel, that the government perhaps should play the role of umpire, but they should not be a player. That is what Bill C-48 is attempting to make them in the oil industry.

Over the past year and a half to two years, we have had what one might consider a one-two punch. The first punch was the attempt at legislative control by the Constitution; the second punch is by this legislation. Both of them are leading toward socialization. If the House thinks I am wrong in that respect, let me ask the question, why is not the right to own private property in the constitutional reference? The answer to that question clearly shows what the government intends.

The provinces have fought the Constitution and they are now fighting the effects of the national energy policy. The provinces recognize that this oil policy is an attempt to grab their resources, and in fact it does do that. As the hon. member for Prince George-Peace River (Mr. Oberle) said, what next? Will it be the forest industry in B.C., the mining industry, or the fishing industry? Anything and everything is subject to their claims and to their capacity to legislate control if it is not stopped here.

You may wonder Mr. Speaker why we on this side of the House are so opposed to government control. Let me tell you why. In the past 15 years the government has bungled everything rather badly. I want to read into *Hansard* a summary of that bungling which says it better than I can say it. It is an article by Douglas Fisher in *The Toronto Sun* of October 26, 1981. He is speaking about Mirabel airport. He says:

> They who gave us Mirabel airport also managed the post office into its disastrous inefficiency.
>
> A week ago a House committee dominated by Liberal MPs sketched 15 years of mismanagement and null achievement in manpower training.
>
> This week the Dubin inquiry revealed an air administration that is ineffective and supervising unsafe practices galore.
>
> The VIA Rail fiasco has quickly become legendary.

And he goes on. Mr. Speaker, that is why I am very much opposed to the legislation before the House. Certainly it will

do to the oil industry exactly what the government has done to every other thing it has put its hands on.

The government has said that this is a sharing policy, that all they are trying to do is to share the assets of Canada among the people of Canada. We in the west know what that is all about. We share a two-price wheat system and we share a two-price oil system. We in western Canada share the capacity, the ability and the burden of supporting an inefficient auto industry in eastern Canada which almost doubles the price of our automobiles. Also we share the burden of supporting an inefficient textile industry. A recent study indicated that we would be better off to pay every worker to stay home, that we would save $100 per family, rather than support an inefficient system.

● (1520)

Also we share by our support the equalization system. Roughly $3 billion is equalized in the country from one province to another—$1 billion from British Columbia, $2 billion from Alberta, and approximately $200,000 from Ontario. We in the west understand that that is the philosophy of the government on sharing. Its philosophy is really: What is yours is mine; what is mine is my own. This is the type of sharing the government would like us to accept.

We have fought Bill C-48 because we recognize that it will eventually ruin the oil industry. What will it do specifically? There are massive incentives for the government to take money from the pockets of the western oil industry and to encourage people to work on Canada lands to the detriment of provincial lands. This legislation will also cause a massive transfer of wealth and decision making from the western provinces to Ottawa; $50 billion in five years. This is what is called sharing the Liberal way.

In addition, the bill will undoubtedly go a long way toward nationalizing and socializing the oil industry. Before the national energy policy was put into effect, there was a sophisticated and capable oil industry in western Canada. It was as effective and capable as any in the world. The government's massive intrusion and bureaucratic bumbling changed all that. Last spring when this matter was debated, the government insisted that drilling activity was not down and quoted figures to that effect. Let me put on record the real calculations in that regard.

The national energy policy in Canada has resulted in a decrease of 40 per cent in the May to August period this year compared with the same months in 1980. A total of 441 rigs chalked up 6,756 operating days in the four-month period this year compared with the 12,325 operating days for 525 rigs a year ago. This is a drop of 73 per cent. The biggest decline was in my province of British Columbia. There was a reduction of some 70 per cent and the utilization rate for 36 rigs in that province was only 34 per cent. In Saskatchewan it was down 47 per cent and in Alberta it was down 40 per cent.

The Canada lands on which the government is trying to encourage drilling fared little better. There were only 23 operating days in the Northwest Territories and Yukon compared with the 265 of last year. There were only 165 days in the Arctic Islands, down from 204 days in 1980. I do not believe that that is working toward oil self-sufficiency. The National Energy Program should be termed the national energy disaster. It has turned our oil industry from a competitive, aggressive industry comprised of many small firms to a government-controlled industry with a few large ones, including the government-controlled Petro-Canada.

People ask me what is wrong with that as long as we get our oil. Let me say that it was perfectly apparent from the hearings on this bill that all experts in the oil industry thought it was very bad. Why is this? It is because the finding of oil is still an art. It takes many operators in the field who have innovative ideas and approaches to ensure that oil is found. The bill drastically reduces the number of operators. It follows that the bill drastically reduces the chances of finding new oil either on provincial lands or on Canada lands. This means it drastically reduces our chances of becoming oil self-sufficient in this century.

Hon. members opposite at various times have argued in favour of the bill. One argument was that the government is better equipped through this legislation to deal with the many multinationals. In response to that argument I direct the attention of the House to the mess the government made in the Mexican deal. Canada was committed to a certain amount of oil without any commitment as to quality or price. We received heavy, sulphur-laden oil which could not be used in our refineries. Effectively it closed down the heavy oil plants in Lloydminster.

The government should look to the experience in Russia. It has the greatest reserves in the world at this point, but it is now clear from the experts that Russia will soon be on the open market looking for oil. It cannot get the oil out of the ground because of a bureaucratic mess. We should pay a great deal of attention to this example because it could happen here.

We support Canadianization, but the government has moved to achieve this goal in a clumsy and inefficient manner. First, it has offended our trading partners. Our relationship with the United States has never been worse. We cannot afford to have bad relations with a country upon which we depend so heavily for our mutual trade. Also there is some evidence that the requirements under this bill offend the General Agreement on Tariffs and Trade. Certainly this will have to be changed before the act is passed. The double-dipping provision and the retroactive provisions contained in the bill should be removed. They make a mockery of planning and business. This breaks faith with all people who have spent hundreds of millions of dollars in the oil industry.

It is interesting to note what the government asked Norwegian experts who appeared before the committee. They clearly set forth that the one thing the industry needed was certainty. They would accept almost any proposal if they could make money on it, but they required certainty. This legislation with its ministerial discretion and retroactive legislation ensures that the industry cannot have certainty. Therefore, I suggest we will not receive the response we should so that we will be

self-sufficient in oil by 1990, which is the goal of the government. The experts indicated that our situation was different from that of Norway. Therefore, to give the minister so much discretion would make it difficult to find oil in a country where it is dangerous to find it, in the sense that most of our new oil is under the sea. The resource is not proven, as is the case in the North Sea. Therefore this legislation is ineffective.

Motion No. 21 goes some distance toward solving many of the problems. At least it would give operators certainty as to what eventual interest they would have in the Canada lands, and the government would not back in to the extent it intends. Under these circumstances I urge hon. members to support the amendment.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, certainly it is a pleasure to rise this afternoon to talk for a few moments to the particular motion put forward by the hon. member for Vancouver-Kingsway (Mr. Waddell) relating to the Canadianization of the oil and gas industry in Canada. We on this side of the House certainly have strong feelings about this, and while they do not differ in intensity they certainly differ in substance in more ways than one from those of my friends to my right.

• (1530)

As the hon. member for Vancouver-Kingsway indicated earlier this week, Canadianization, as written in Bill C-48, is nothing but a sham. There is an assumption that Canadians will assume some type of ownership and control as the result of these policies, but Bill C-48 merely shifts the nationality of some of the players and decision makers and does little toward actual Canadianization of the oil and gas industry.

We recognize that when we talk about Canadianization of an industry we would have different reactions to Canadianizing the television manufacturing industry, the recreation vehicle industry, the sand and gravel industry or sectors of the manufacturing industry. When it comes to oil and gas, however, the most strategic natural resource that we have, we are talking about the very basis of Canadian society and culture. Canadian society, Canadian culture and the Canadian economy depend totally on oil and gas. Surely this sets it far beyond the usual consideration that we give to economic and/or resource issues.

Motion No. 22, which stands in the name of the hon. member for Vancouver-Kingsway, seeks to increase the Crown's share or the public ownership of our interest in Canada lands, those lands that exist on the frontiers of Canada or offshore, from 25 per cent to 50 per cent. This should not be confused with the existing provisions in the bill for a Canadian ownership rate of 50 per cent for production licences. The COR, as it is known, of 50 per cent can be 50 per cent private Canadian ownership or a mixture of public and private ownership.

We must ask what the Liberal record on Canadianization is. In 1980 foreign ownership of oil and gas revenue in Canada amounted to 74 per cent; foreign control of oil and gas revenue was 82 per cent. In 1981 foreign ownership of oil and gas production had decreased by about 3.5 per cent, but in spite of new acquisitions, Canadian ownership is still only 34 per cent, leaving 65 per cent essentially foreign controlled and owned.

We hear that the Liberal goal is 50 per cent Canadian ownership by 1990, not Canadian control by 1990. Herein lies a very critical difference—the difference between Canadian ownership and Canadian control of this strategic resource. It is reasonable to ask why foreign control of this strategic resource is such a problem. My friends in the Conservative party suggest that foreign control is not a problem; it is no concern of theirs but it certainly is of ours, for these reasons.

Contrary to the free enterprise argument that Canada benefits from foreign capital, the multinational oil companies remain net capital exporters; they take more money out than they put into Canada. Between 1975 and 1980, the petroleum industry was a net capital exporter to the tune of $4.1 billion. What do the Tories say to that in light of their arguments that the multinational oil companies bring revenue into Canada? This is a reasonably objective statement from the Petroleum Monitoring Agency, that $4.1 billion were exported from Canada over a five-year period. The petroleum industry's assets have risen 359 per cent, from $14.6 billion in 1973 to $52.4 billion in 1980. This capital gain is controlled mainly by foreign shareholders at the expense of Canadian consumers and taxpayers.

We in this corner of the House do not feel that decisions regarding Canada's most strategic resources should be made in Dallas, Houston, New York, London, Zurich and such places. Those decisions should be made by Canadian citizens and preferably in the capitals of Canadian provinces and in our country.

In 1980 oil industry profits alone represented almost 30 per cent of all profits earned by the non-financial sector of the economy, giving foreigners a commanding position in the nation's economy. What other country in the world brags of that particular accomplishment, that foreigners make most of the decisions relating to the economy and the development of the economy? When this power and economic wealth is controlled by foreigners, they can pressure Canadian policy makers. In other words, they can use blackmail techniques; they can use capital strikes, as we have seen with Syncrude and Cold Lake, to bring the Canadian government or provincial governments around to their way of thinking. We have recently seen and are perhaps still seeing a strike by the oil companies in Canada, aided and abetted by their Tory friends in the province of Alberta and in this House.

The Liberals have brought in some half measures in response to some of these concerns. They now admit that foreign control is a problem in Canada but through Bill C-48 they are prepared to take only the weakest of measures to begin to correct it. They argue that if we are too tough, the multinational oil companies will pull out and leave us freezing in the dark, ignoring the fact that the multinationals already operate in countries that have far more onerous ownership and tax regimes than we have in Canada.

Let us consider a few countries that act quite differently from the way we act in Canada. One of our friends, Mexico, has an interesting policy in regard to its oil industry, which has been nationalized totally since 1938. It seems to me that the petroleum industry in Mexico is doing quite well, as is indicated by our Mexican imports and the fact that just a year ago we were proud to be able to make agreements with Mexico because they could guarantee the flow of their resource while we in Canada cannot. The reason for this is that the Mexicans have control and ownership of their resource while we in Canada do not.

Let us look at a country which is closer to us in many respects than Mexico—Great Britain. The British National Oil Corporation has first claim on 51 per cent of all oil production and its purchase is negotiated at market price. The BNOC may offer participation to joint venture partners including foreign-owned firms, but it retains control of all the projects it enters into as a co-partner.

My own home country of Norway with Statoil, the government oil company, can take up to a 70 per cent interest in any block of land that it does not presently own. Since the announcement of finds of natural gas off the north coast of Norway the other day, oil companies are flocking to that part of the country under these provisions. But as weak-kneed and milquetoast Canadians, we are hesitant to begin to implement policies like those in Norway or Great Britain.

Even Australia, which is recognized for its relatively weak position compared to that of many other countries, has a policy where foreign companies are allowed to explore but only Australian and naturalized foreign investors can produce energy resources. To qualify as a naturalized company, a foreign company must have 25 per cent equity owned by Australians, a majority of Australians on its board of directors and a public commitment to increase Australian equity by 51 per cent within a certain period of time. This is a much stronger statement than is found in Canada's policy, by a long shot.

When it comes to Canadian half measures as a result of the Liberal government's program, the Liberal goal is 50 per cent Canadian—meaning mainly private—ownership by the end of the decade. As one energy observer speaking recently in the United States has noted:

● (1540)

> Do you suppose that a party proposing to reduce foreign control . . . to 50 per cent within ten years would be regarded as anything but cautious to a fault? I doubt that Americans would tolerate anything like 50 per cent foreign ownership in any major industry—let alone a vital, basic industry like oil and gas. And to tolerate it at a time when that industry is claiming an enormous and ever-rising share of the national wealth is simply unthinkable.

Do you know who the author of that quote was, Mr. Speaker? It was the infamous Marc Lalonde in his New York speech a few months ago, indicating again, very clearly, that this was about the smallest, most inconsequential step that a government could take, and was almost apologetic for the cautiousness of this particular bill, Bill C-48.

What about the difference between ownership and control of such a strategic resource? The Liberals' goal of 50 per cent Canadian ownership, if ever achieved, would still mean that the powerful petroleum industry, overwhelmingly foreign dominated, would remain under foreign control. Foreign control would still remain. Because of the way stockholdings can be manipulated, foreigners could still control a company or an energy project even though, technically, it would be Canadian owned. Fifty per cent Canadian ownership does not necessarily mean 50 per cent Canadian control. Even under the government's own provisions in Bill C-48, a joint venture with the multinational Imperial Oil Company controlling 70 per cent of the project, and Petro-Canada controlling only 30 per cent, would be classified as 51 percent Canadian owned. However, it would obviously leave the foreign-controlled Imperial controlling the venture in total.

An hon. Member: Sham!

Mr. Riis: Let me be more specific, because this is a very crucial concept. Again, I think we have the impression from the rhetoric surrounding Bill C-48 and from reading the various clauses that, in fact, Canadian control and ownership will be occurring in Canada's frontier lands and offshore developments. However, it works this way: Imperial is 70 per cent foreign owned. Therefore, 70 per cent of 70 shares equals 49 shares foreign owned. Thirty per cent Canadian owned of Imperial's 70 shares equals 21 shares. Petro-Canada, which is in the project for 30 per cent, is 100 per cent Canadian-owned, as we all know; therefore, its 30 shares are Canadian owned. Therefore, Imperial's 21 shares plus Petro-Canada's 30 means a 51 per cent Canadian-owned project. However, the original partnership still gives Imperial not 51 per cent control but 70 per cent control. Certainly control is where the action is as opposed to the simple ownership.

It is interesting to note that 14 out of the 25 largest oil and gas producing companies are still foreign controlled in Canada. They dominate the industry's sales and cash flows. Unless we obtain control of the largest companies which dominate the market, surely "50 per cent Canadian" has virtually no meaning at all.

We in the New Democratic Party want majority control as well as majority ownership. When we look at countries in situations similar to Canada, virtually every country we can examine has developed a strong policy which would equal Canadianizing as we know it in this country. One might point out that the Americans do not have such a policy, and indeed they do not. But certainly the incentive is not there either; for when one looks at the American petroleum industry, which companies obviously own and control that industry? American companies own and control it. Therefore, there is not the incentive that we find in a country such as Canada which has sold out such a crucial and strategic resource to foreign corporations.

I want to talk for a moment or two about public ownership versus privatization. The Liberal plan of Canadianization really means replacing private foreign ownership with private

Canadian ownership. What guarantees do we have that privately owned Canadian oil companies will act much differently from foreign oil companies?

An hon. Member: None whatsoever.

Mr. Riis: Does anyone believe that a good part of the $12 billion price rip-off of consumers by the multinationals, documented in the Bertrand report, would not have occurred if Husky, Dome, Norcin and Home Oil had replaced Imperial, Gulf, Texaco and Shell? Would Canadian corporate heads be acting and responding differently from American or Dutch corporation heads?

Privately owned oil companies, whether foreign or Canadian controlled, have as a goal the maximization of profits, to be achieved by one of a number of ways or combinations: higher prices, more exports, or more tax concessions. Canadian consumers and taxpayers lose under this scenario, as is so plainly evident.

While believing in some private ownership in this sector, the NDP wants majority public ownership and control. This is what we see as being true Canadianization. This is why we advocate making Petro-Canada a leader, by advocating a takeover of Imperial Oil, Canada's largest and most powerful oil company. The Liberal plan is to endorse and encourage private Canadian ownership at the taxpayers' expense, rather than public ownership to provide obvious taxpayers' benefits.

I want to emphasize one very critical point. Canadians, whether consumers or people involved in the oil and natural gas industry, are now concerned about exploration in the frontier lands of Canada and in the offshore opportunities. Under the National Energy Program, the taxpayers of Canada will fund a Canadian, privately-owned company to the maximum of 93 cents on every dollar spent on exploration on Canada lands. Ninety three cents out of every dollar will be supported by Canadian taxpayers, after tax, after a grand cost to the company of only seven cents on the dollar.

I suspect that a great number of industries in Canada would love to have the Canadian taxpayers paying 93 per cent of their development and exploration costs. I can certainly identify a number of small businesses in our country which would love to have that kind of government support. Of course, the companies which would be supported by the taxpayers are the same companies which take out full page ads in almost every major newspaper and publication in Canada, decrying the hard times they are facing and how much need there is for the Canadian taxpayer to be coming up front with 93 per cent of their exploration costs.

What kind of equity would the taxpayers get in return? Under Clause 27 of Bill C-48 they would only get a 25 per cent Crown share in federal lands. In this amendment, we say that the minimum public ownership on federal lands should be 50 per cent through the people's Crown agency, PetroCan.

Between 1977 and 1980, the federal Liberals gave income tax breaks to the foreign-controlled resource sector worth a total of over $13 billion without getting any equity or ownership in return. Over the same period, income tax collected from the petroleum industry was only $5 billion. We in the NDP say that it is time the consumers and taxpayers of Canada, who have funded the growth and profits of this industry, get some ownership in return. If we are paying the piper, it is time we called the tune. We can do that only through majority public ownership and control.

Mr. John Thomson (Calgary South): Mr. Speaker, as far as I am concerned, the sad thing about the legislation we have before us this afternoon is that the people who wrote it did not have the faintest idea what they were doing. It looks as though some recent graduate in economics has sat down and said, "Look, finding oil is not all that difficult. All one has to do is punch a hole in the ground and up jumps some oil or gas. That is not very difficult, and if these oil companies do not want to do it, the government will do it."

The National Energy Program which has come forth from the Liberal government is playing Russian roulette with the welfare of the people of Canada and their future. I know that hon. members on the opposite side of the House do not believe that. I think they do not believe it because they do not understand the oil and gas industry. I do not think they really understand what they are trying to accomplish in this legislation. What this legislation is trying to say is that if we can destroy foreign investment in this country, and if we can destroy the oil and gas industry in some way, that will lead us to energy self-sufficiency or, more particularly, to oil self-sufficiency. Surely the critical factor in this legislation and in the whole National Energy Program should be energy self-sufficiency, more particularly oil self-sufficiency.

● (1550)

There are two aspects I want to address this afternoon. One concerns our relationship with the rest of the world, our trading partners, the foreign investors on which Canada must rely for its industrial and economic growth and with our friends. The other aspect is oil self-sufficiency. I want to tell hon. members categorically that we do not have a chance in blazes of achieving oil self-sufficiency by 1990. I do not care what the Minister of Energy, Mines and Resources (Mr. Lalonde) says, we will not achieve oil self-sufficiency by 1990. I will relate the reasons why that will not happen.

First, I want to try to put the question of oil self-sufficiency into perspective as simply as I can. Every day in Canada 1.8 million barrels of oil are consumed, of which we import 400,000 barrels a day. We have 1.4 million barrels of oil production within our country. Of that production, 200,000 barrels come from synthetic sources and 1.2 million barrels come from what we refer to as conventional oil production. We use 1.8 million barrels of oil per day. We produce 1.4 million barrels a day and 400,000 barrels of oil a day are purchased from OPEC.

In the 1981 report put out by the National Energy Board the consumption and demand supply relationship over the next ten years was looked at. The board reported that consumption will not increase very much over the next ten years. Therefore,

we are looking at 1.8 million barrels of oil a day in the year 1990. That figure was predicated on two assumptions; first, that we would replace the 350,000 barrels of oil we are presently consuming by two methods. The first method would be by conservation and the second method by oil substitution. If we do not conserve and if we are unable to substitute, Canadians will be consuming about 2.2 million barrels of oil a day by 1990.

Let us accept the National Energy Board figures. Let us assume that we do conserve and that we do substitute to the tune of 350,000 barrels of oil per day. We will still need about 1.8 million barrels of oil a day. The National Energy Board tells us that in Canada by the year 1990 we will not be able to produce 1.4 million barrels of oil per day. In fact, our conventional oil production, which at present is 1.2 million barrels a day, will decline to 500,000 barrels of oil a day by 1990. That is what the National Energy Board tells us; that is not what I say. By the year 1990, 500,000 barrels of oil a day will be produced, and together with the 200,000 barrels of oil a day that we produce synthetically we will have a total of 700,000 barrels of oil a day.

The National Energy Board tells us that we will consume 1.8 million barrels of oil a day in 1990. We are told that we will be able to produce 700,000 barrels a day from existing conventional reserves and from synthetic production. If my arithmetic is correct, that is a difference of 1.1 million barrels of oil a day, meaning that somewhere in Canada we must find 1.1 million barrels of oil a day. If we do not find it, we will have to buy it. It is that simple. It is either find oil or buy oil from OPEC.

I wonder whether hon. members realize the magnitude of finding one million barrels of oil a day. Do hon. members know what that represents? Does anyone understand the enormity of finding one million barrels of oil production a day? This is not just a question of dollars, this is a question of people, technology and expertise. It is a huge undertaking. I do not know how to express it. It is not sufficient to say that it is a couple of hundred billion dollars.

We must bear in mind that since 1947 when the Leduc field was discovered we have developed about 1.8 million barrels of oil production. Over a period of 30 years, from 1947 to 1981 we have found about 1.8 million barrels of oil a day. But in the next ten years we have to find 1.1 million barrels of oil a day or, alternatively, buy it from OPEC.

Where will we find this oil? This is at the heart of the matter. We will not achieve energy self-sufficiency. I am sure of this because there are only three sources from which oil can come. Oil can come from the conventional oil fields in western Canada, the frontier areas, or it can come from the oil sands. There is no other place.

We may be able to produce oil from coal but I think the technology required is more than ten years away. Therefore, oil has to come from our frontier areas, from the conventional areas of western Canada or from the oil sands.

Let us deal with the oil sands first. I will not get into a long harangue about why the oil sands have not gone ahead. I think the Canadian people understand that. Perhaps hon. members opposite do not understand, but the Canadian people understand that it is because of the foolishness of the National Energy Program and the greediness of this government and other levels of government in terms of the tax regime and the pricing strategy for oil sands plants. If the Alsands and Cold Lake projects went ahead tomorrow morning, they would not produce a barrel of oil until after 1990. That is even if those projects were started tomorrow morning. Let us forget about the oil sands because we know that we will not get a drop of oil from them until after 1990, assuming that they do go ahead at some time.

Let us come to conventional oil production. I read an article the other day. I think the hon. member for Ottawa Centre (Mr. Evans) mentioned it as well. In any event, it was reported that by 1986 we will produce an additional 311,000 barrels of conventional oil in western Canada. Is that correct?

Mr. Evans: Extra.

Mr. Thomson: That is 311,000 barrels of oil a day over what we are presently producing. I was in the oil business for a little while, but that statement is a joke. No major discoveries in western Canada of that magnitude, or anything like it have been made since 1957 when the Swan Hills find was discovered. Since 1957 we have not found an oil field that can produce more than 100,000 barrels of oil a day in western Canada. In the last 15 years, apart from a few ups and downs, the oil industry has been making an all-out effort to find oil and gas, except during 1974 when there was another federal-provincial conflict.

• (1600)

Coming back to the potential for finding more conventional reserves in western Canada, I want to point out that a year ago, before this great and wonderful national oil program that will produce all this great oil self-sufficiency for Canada came into effect, we had 600 rigs in western Canada, perhaps not all of them working but available for work. Do you know what has happened in the year since the national energy policy? Some 209 of those drilling rigs have gone across the border to the United States. Today we have 236 rigs working in western Canada with 189 rigs down compared to 455 rigs working last year. We have an industry which a year or 18 months ago was making an all-out effort to find oil and gas in conventional fields in western Canada, yet we have not come up with any major discoveries of oil in the last 15 years. Yet what the government would like us to believe is that we are going to reduce drilling by two thirds and come up with 311,000 barrels per day of conventional production by 1986. Anyone who wants to believe that will believe anything. With the National Energy Program we will be very fortunate if we are able to find 100,000 barrels a day of new oil production by 1985. I would think we would be extremely fortunate if we find 200,000 barrels a day by 1990.

I can tell the House one thing for certain. Under the rules of the energy pricing agreement signed between the province of Alberta and the federal government in September, there is not a chance of that in the world. I am not the only one who would not invest a nickel in the oil and gas industry in this country today. There are hundreds of thousands of people who would not invest one cent, because there is no incentive. Understand me, there is no incentive; and that is why I say there is very little chance we are going to make any significant contribution to oil self-sufficiency from conventional fields under this government.

This brings me to the heart of this legislation before us. As I said before, we have three chances of finding one million barrels of oil a day, and that is in the oil sands, through conventional oil discoveries, and in the frontiers. What have we got in the frontier areas today? We have the discovery 200 miles off the east coast of Newfoundland in 250 feet of water, and that is in one of the most hostile environments in the world. We think we have another discovery in the Beaufort Sea. The operator of that property has not said categorically that we do have a discovery. They think it is promising but we do not know the potential. Let us assume that it is promising. Hibernia certainly looks very promising, but I ask hon. members to think about this. Do they know how long it took from the original discovery in the North Sea to put North Sea production onstream? It took over ten years to get that oil to market from the initial discovery in the North Sea. While the North Sea is a very hostile environment, it cannot be compared with the environment at Hibernia. We do not have the technology today to get that oil to market.

The unfortunate part of the discovery is that it lies in 250 feet of water which is scoured by icebergs the better part of the year. We do not know how to stop those icebergs from tearing up whatever we put down there to produce the oil. You have to put a valve on the well casing, and somehow or other you have to protect that valve from all these icebergs. We do not know how to do that, but I am confident they will come up with an answer.

The point I want to get across to members of this House today is that it is very unlikely we will see any production from Hibernia until well past 1990. It will be a miracle if we see production from Hibernia before 1990. We should consider ourselves very fortunate that we found the oil. Please do not misunderstand me.

I do not know how many members have ever been in the Arctic or in the Arctic Islands. I happen to have been there and I can say that it is again a very formidable and hostile climate. If you have to go through 20 feet of pack ice with a tanker to get that oil out, I am just not altogether sure you can do it. Perhaps hon. members will remember the *Manhattan* and Esso's experiment in taking the *Manhattan* through the Northwest Passage. It had to turn back. There are icebreakers that probably could get through, but we do not have them today. We do not even know what we have today in the Beaufort Sea, but if we did know we would have to develop it, and that means we would have to go out and delineate the reserves. We would have to figure out technologically how to raise the oil to the surface and put valves in place above the ice. We would have to figure out a way to protect those valves so that when the pack ice moves it does not wipe out the wellheads. After we have done all that we have to figure out how to get the tankers in, load them up and take them through the Northwest Passage to market.

If anybody believes we are going to have that oil to market before 1990, they are living in a dream world. I sincerely hope we can get some oil from Hibernia and out of the Beaufort Sea before the end of the century. If we can do so we must consider ourselves very fortunate.

Am I coming to the end of my time, Mr. Speaker?

An hon. Member: Carry on.

Mr. Deputy Speaker: The hon. member may continue with the consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Thomson: What I am saying is that we will not get any oil out of the frontier areas before 1990. We are not going to have very much in the way of new conventional production and the oil sands will not be in production. What is the alternative? We are going to be importing a million barrels of oil a day in 1990. That is how I see it. Are we going to put ourselves in the hands of OPEC, the Arab sheiks, and in the hands of other OPEC countries who may not be quite so friendly? Is that where we want to take our country? Do we want to make our country dependent upon OPEC when we have the reserves to do the job?

This legislation before us in Bill C-48 is not legislation that will encourage production in our frontier areas. The National Energy Program certainly is not going to encourage production from the oil sands or from conventional producing areas. What this legislation before us this afternoon, Bill C-48, does and what the whole National Energy Program does is what I referred to when I said we were playing Russian roulette with the life and economic future of our country. Members opposite do not understand that, and that is why I say I do not think they know what they are doing. Wake up before it is too late.

● (1610)

I had quite a number of other comments to make, Mr. Speaker, but I would like to finish with this. Let us put aside the question of foreign investment in the Canadian oil industry and let us put aside economic nationalism for the moment. Do we want to be known by our friends abroad as a government that steals? Do we want to be known as cheats and thieves? This legislation will put Canada at the top of the list of thieves and robbers. The government is taking property away retroactively. It is confiscating that property with virtually no compensation.

The government says this is not confiscation but compensation for earlier incentives given. If that is so, why were the rules of the game not spelled out when the incentives were

given? I do not accept that statement and I do not think our friends abroad accept that statement. Nothing in the original exploration conditions indicated that the government would take 25 per cent of any successes. When the government gave permits to search for oil in Hibernia, the Beaufort Sea and Arctic Islands, it never said that in ten years it would come back and expropriate 25 per cent of the winners. The government does not want any part of the losers, but it will take 25 per cent from the winners.

The compensation does not reflect the value of the reserves stolen. All the government intends to pay for is the small portion of successful companies and nothing for the companies which end up with dry wells. Compensation is totally unfair with regard to the reserves found. If the government were honest with itself it would, at the very least, pay the fair market value for the reserves taken.

The compensation is to be made on an *ex gratia* basis without acknowledging any obligation whatsoever. The government has, in effect, admitted that this compensation is nothing more than political expediency in response to the criticism of the legislation originally planned which was going to give no compensation for the land expropriated.

Canada cannot live as an island unto itself. We must trade for our livelihood. We require large sums of foreign investment capital to develop our industry and resources. Above all, Canada needs some friends. I do not call anybody who steals from me a friend. I do not think the Canadian people want a government which steals from others.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I would like to speak in favour of Motion No. 21 in the name of the member for Etobicoke Centre (Mr. Wilson). This motion clearly sets out a major difference between the main parties in the House. It clearly combines the Liberals and the New Democrats as a party who hold themselves out to the Canadian people as being in favour of state ownership and control. They are saying to the Canadian people that we can have a bureaucracy in Ottawa and a state-controlled company which can find oil, produce it and sell it to us at presumably competitive prices, if not cheaper. Canadians should understand that I am talking about two parties that believe the means of production in Canada should be owned by the state. That is their philosophy.

In contrast, the Conservative party believes those assets should be owned directly by Canadians. That is what we want for this country, for every Canadian to have a direct share in ownership.

When our ancestors came to this country and they owned a quarter section of land, they felt they owned the country directly. Now, with over 90 per cent of Canadians living in cities, the only way they can own anything directly is to buy shares.

Mr. Waddell: How many people own shares?

Mr. Thacker: Canadians cannot even afford to buy houses any more as a result of this government's economic policies. They cannot keep the homes they already have. Our party believes Canadians should own shares directly. That is the real choice Canadians now have to make.

Clause 27 of Bill C-48 provides for the government to confiscate 25 per cent of any oil and gas found from both non-Canadian companies and Canadian companies. That 25 per cent will be vested in our state oil company, that paragon of virtue, Petro-Canada.

I would like to give a quick history of Petro-Canada for the benefit of members of the House. This may allow them to come to a better conclusion as to whether or not we should put our confidence into state-owned companies—whether it be Petro-Canada or some other Crown corporation—controlled by bureaucrats. Let us examine Petro-Canada to see whether it justifies our trust and confidence.

Petro-Canada was formed in 1976 as a Crown corporation. In a Crown corporation, all shares are owned by the Government of Canada rather than by individual Canadians. It is a company owned by our Prime Minister (Mr. Trudeau), who is advised by his cabinet and the bureaucracy. They make the decisions. When Petro-Canada was originally set up, the government, already in a deficit position, decided on behalf of Canadians to borrow $210 million at the going interest rate and buy Petro-Canada shares. It received preferred shares and we should understand what preferred shares are. They do not only represent ownership, they also pay a dividend, assuming they are that type of preference share. The shares that the government takes are non-cumulative dividends. At the end of the year, if Petro-Canada does not pay a dividend, it is lost forever. Canadians therefore will get no return on that money.

We have a company, Petro-Canada, with a 15 per cent interest in Syncrude and a 45 per cent interest in Panarctic Oils. It has a president and staff. What did this company do? Did it start to search for oil and develop the technology to find the oil under the land? No. It went out and bought an existing company. It took the money we paid for our shares and bought Atlantic Richfield. It paid $342.4 million and renamed the company Petro-Canada Exploration. It took over a staff of 300. It obtained existing leases and property. That did not add one barrel of oil to the Canadian market. All it meant was that money left the country.

At the end of 1977 it had net earnings of $3.3 million from an investment of $383 million. That represents a rate of return of about 1 per cent. It did not pay a dividend so Canadians did not receive one cent. This continued through 1977. Petro-Canada presumably went out to explore and drill but it was unable to make a find and was getting into trouble. So the government gave it another $154.5 million—more preferred shares, non-cumulative dividends. It still needed help. Therefore on December 7, 1977, the government passed the Canada Oil and Gas Act. That act gave Petro-Canada preferential treatment in obtaining leases.

When leases were being granted in this country, which company got first choice? Petro-Canada. Why would that be? It would have to be because when we set up a government corporation, we cannot have it fail. If it fails, that reflects on

the government. Therefore, it was given preference shares, non-cumulative dividends, priority to get land as compared to the private companies, of which there are over 700 in this country competing and trying to find gas and oil.

● (1620)

Petro-Canada had to have a further advantage. If any private company found oil anywhere in Canada, Petro-Canada could buy it. This was the famous back-in clause. Many of us opposed that. We felt that one should not get something for nothing. We felt the company should not get the right to buy a 25 per cent share unless it found the oil. That was government wisdom, and I will come back to that.

At the end of 1977 we have the company earning some $9.5 million on a government investment of about $540 million, a return of about one half of 1 per cent. No money is actually paid because it is running into more trouble. In 1978, away it goes again. It is out on the frontier, but not finding any new oil. The government has to buy more shares. Petro-Canada thought it had to have more help. Because it could not find any more oil, the government kicked in $239.4 million.

Was Petro-Canada developing any research and development? Not one bit. Was it developing a new seismic method to find oil where the old test could not? There was not one bit of technology. Was it developing better distributing systems? No, it was not doing any of that. The multinational corporations of which substantial shares are owned by Canadians were doing that, but not our own Petro-Canada.

What did it do in 1978? It did not find anything new so it went out and bought Pacific Petroleums. Remember, Pacific Petroleums was trading on the market at $65 a share. The total price was $1.4 billion. Petro-Canada had no money, so what did it do? It used the tax act. Very neat. It borrowed the money from Canadian banks that are operating overseas. Those banks took preference shares, exactly the same type of general share which the government had. However, the bank shares have cumulative dividends as compared to the government preference shares that are non-cumulative. At the end of the year, even if a dividend is not declared, the fixed rate accumulates so that the amount of money owing by Petro-Canada to the banks goes up and up.

In order to sweeten the deal even further so the banks would lend this $1.4 billion to Petro-Canada, they were told that under the tax act, if they lent the money they would not have to pay income tax on the interest. The banks lent the $1.4 billion. It is a good deal for them. They get cumulative preference shares, a guarantee of payment and they do not have to pay income tax on the interest.

That deal closed on November 10, 1978, and the income tax loophole was closed on November 17. Do you know what that meant? It meant that the other 700 oil and gas companies could not take advantage of that provision, just the national Crown corporation. You wonder how they could have got in under the deadline. You find that a director on the national state oil company is also in the finance department. The most recent example of a member of Petro-Canada being on the staff of the Minister of Energy, Mines and Resources (Mr. Lalonde) was just a reincarnation of past wrongs. We know that a staff member of Petro-Canada actually wrote the budget that gave Petro-Canada all of these incredible advantages over the other 600 and some companies trying to find oil for Canadians.

Another aspect of that deal with Pacific Petroleums that was very sour was the situation where the government was able to use the Canada Business Corporations Act to force the sale of $430 million worth of shares owned by Canadians to Petro-Canada. That is why we in this party want to have in our Constitution the entrenched right to own property. If we had that right, the government could not force people to sell shares to it; it would have to buy them on the open market. That is why our friends on the left and the Liberals oppose that right to own property. They do not want Canadian citizens to own those assets and to have a direct benefit for themselves and their children. That is the secret behind that.

We now get to the end of 1978. By this time the company has taken over two existing companies, both of which operated in Canada, both of which had some Canadian shareholders. These companies were trying to find oil and gas for us and our descendants. They are now all part of one company. Incidentally, those companies were paying income tax. One paid something like $77 million. Petro-Canada does not pay income tax. When you take the interest we have lost on money we have invested and the lost income tax, it far exceeds the amount of money those companies would have paid to their foreign shareholders by way of dividends.

I have been told by the hon. member for Calgary Centre (Mr. Andre) that historically the amount of those dividends in the oil industry amounts to something like 2 to 3 per cent. We have now borrowed $1.5 billion, put it into Petro-Canada and got back non-cumulative preference shares. The interest cost on that $1.5 billion at 19.38 per cent, which is the last Canada Savings Bonds interest, far exceeds any dividends that used to leave this country.

By the end of 1978 there were net earnings of about $13.7 million and a government investment of $778 million, a return on paper of about 1.5 per cent. Most of that income came from companies that were existing because Petro-Canada had not by the end of 1978 found oil on its own.

In 1979 and 1980 when the Conservative government was in power we put no money into Petro-Canada. We felt it ought to be able to get along on its own. Canadians had already invested over a billion dollars in it. In fact, we wanted to give share ownership to individual Canadians so that at the end of the year the directors and officers of Petro-Canada would have to stand up and give a daily or yearly accounting to their shareholders, the men and women in this country who would have had 15 or 20 shares, the widows who count on their dividends. These people would have been able to look the president in the eye and say, "Where are my dividends? What have you been doing with my money? You are in a trust situation."

That did not occur. The Minister of Finance (Mr. MacEachen) does not go to the officials of Petro-Canada on behalf of the main shareholder and ask what is being done for the citizens of Canada. Why would he do that? His reputation is at stake. He has to make the corporation go. After the Liberals came back into power, they put in more money. Another $440 million was put into Petro-Canada, all money to be paid for by the taxpayers of Canada, and all of it had to be borrowed.

The last takeover was Petrofina, another successful public company paying dividends to its Canadian shareholders and foreign shareholders. It is interesting to note that during the forties when the west was trying to develop its oil industry, it went to Bay Street in Toronto to borrow money to develop. Was money made available by Canadians then? Not one cent. They would not give money to develop the oil industry at any rate of return. They would not take any equity. The people of The Netherlands did through Shell; the people of Great Britain did through BP and Gulf; and the Americans did through Imperial Oil. They developed this country and let us have oil when our own citizens would not do it. Before this whole deal arose, the shares of Petrofina were trading at about $60 each. As inevitably happens, the minute there was talk of a possible sale to the government, the price of the shares went up. The people of Canada ultimately bought those shares at $120 per share, more than twice their worth.

It might be said that we got 1,100 used service stations. It is true we did. It is also true that we got some leases. However, did we get the heart and core of Petrofina, the future of Petrofina, its petro-chemical plant? No. That was pulled out of the deal. We paid $120 per share for shares that six weeks before were worth only $60, and we did not even get all the assets. They kept the petro-chemical plant and it is that plant which is the future of this country. We have many old, used service stations. They are not even on the prime corners. It is a crime.

● (1630)

How did the government finance the purchase, Mr. Speaker? There is about $440 million authorized in the blue book, bringing to a total of $1.5 billion the amount which we have put into Petrofina. We have also given Petro-Canada 25 per cent carried interest, which is the expropriation, the confiscation program. The government is going to confiscate 25 per cent of the successful production not only of the multinational corporations, but from our own citizens who have created their small Canadian companies, who went out and created new technology and who found oil and gas where they could. The government will now take it away from them.

To my mind the final humiliation, the final indignity, in order to make this company successful, after having given it $1.5 billion, the preference to get leases, the right for a 25 per cent purchase and an absolute expropriation of 25 per cent, this is still not enough; we have to tax the citizens of Canada. Every time a Canadian drives up to a service station to fill the gas tank, a portion of that money goes directly to pay for the purchase of Petrofina. All of that money is going out of the country.

Here is the ultimate kicker. We are buying an industry that really is on the tail end. It started in the 1940s, it is peaking now, and by the year 2020 it will be gone. By then we will be into solar, wind and hydrogen power.

Why are we spending our taxpayers' money to buy an industry that is at the end? What are these companies doing? What did Petrofina do with its $1.5 billion? What did Pacific Petroleums do with its $1.5 billion? They are getting in on the next wave of technology, which is the computer industry, the high technology industries, and solar and hydrogen energy. When the petroleum is gone, where will we get our energy? We will get our energy from the multinational corporations that are in on the next wave. It is absolute insanity.

I plead with the members opposite to use some common sense before they get into this nationalization game. Mr. Speaker, think of what $1.5 billion would do today in the computer industry. If we are going to turn to our citizens, I would have no trouble at all in going back to my citizens in Lethbridge-Foothills and saying, "Folks, I want to borrow $1 billion so that we can put it into high technology, so that it will do something for our children and our grandchildren." But I do have trouble going back to my constituents and saying that we are going to buy the tail end of an industry, where the money will go to a multinational corporation to invest in hydrogen technology. We will then have to buy from them in the future. It is absolutely insane.

The last point I should like to make is in reference to my hon. friend from Kamloops-Shuswap (Mr. Riis), who talked about $12 billion being ripped off by the oil companies. His implication was that the private companies, even if owned by Canadians, would not be any better. I say to him that it would be far worse with Petro-Canada. Look at the experience of Atomic Energy of Canada Limited. Does that Crown corporation act in the best interests of Canadians? There is hard-core proof that it entered into an international conspiracy that was equally oppressive to our citizens than what the oil companies might have done.

The hon. member says taxes will increase. I suppose that is true, they might. But corporate taxes just end up flowing through to the people. If you tax my corporation, I will just increase the price of my product. That passes on to the poor citizen at the end of the whip. The long and short of it is that the individual citizen at the end of the shovel is the man who pays the full cost in the end.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I should like to speak in support of the amendment of my colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell) to increase the level of Canadian public ownership of the oil industry to 50 per cent on new projects on Canada lands. In this and in other amendments that my party has proposed we are calling for an affirmative action program for the Canadian people in the oil industry. We want to see the Canadian people receive a guaranteed part of the action.

My colleagues from Vancouver-Kingsway and the hon. member for Kamloops-Shuswap (Mr. Riis) have clearly shown that present proposals in the bill calling for 50 per cent Canadian ownership are nothing more than a farce. The loopholes are big enough to accommodate a supertanker. A consortium can meet the requirements for 50 per cent Canadian ownership and still be controlled effectively by a foreign-based multinational. Different patterns of ownership and control mean that Canadians could easily have 50 per cent or more ownership; but Canadians would not necessarily have control. This is illustrated very clearly, Mr. Speaker, by the fact that at the end of 1980 foreign ownership stood at 74 per cent, but effective foreign control was still at 82 per cent in the oil industry.

Canadian ownership and Canadian control must go hand in hand and they should be increased to 75 per cent by 1986, as earlier amendments have stated. Amendment No. 22 states that the rate of Canadian public ownership of new projects should go to 50 per cent.

The Tory energy critic opposed the New Democratic Party proposals because he says that these will mean more regulations for the oil industry. As I listened to his speech last Friday, he sounded more and more like a member of the Reagan cabinet in the United States. He appears to support the oil industry in some so-called right to do exactly as it pleases, regardless of the economic consequences for Canada and of our national priorities.

The great hue and cry which he echoes against regulations is really a plea to let the naked self-interest of giant corporations rule in the marketplace. This kind of thinking sees environmental regulations, health regulations, or regulations directed toward any other social goal as a false interference of politics into the sovereign realm of free enterprise.

To listen to the Tories, Mr. Speaker, you would think that the oil industry should operate in some kind of value-free environment, completely beyond the scope of politics. This does not accord very well with the fact that in 1979 the oil companies gave the Liberal and Tory parties some $721,000 in political donations. To me this does not seem to be a hands off policy.

The Tory energy critic objected to our reference to a capital strike by the oil industry. Last Friday he said, to quote him, that "the New Democratic Party calls it a capital strike." Well, if an employee does not like the conditions in a company and he quits to go to work for another company, he has not gone on strike; he has simply quit. He is exercising his individual freedom. A strike is something else again. As a result of the new energy program, the oil industry is exercising its freedom.

That comparison is ludicrous. Equating the economic power of a huge corporation like Imperial Oil withdrawing its funding for Cold Lake with the power of an individual working person quitting his job is nothing short of ludicrous. But it reflects some of the thinking that we find on the benches to our right.

The Bertrand report makes it very clear that Canada's oil industry has shown a remarkable degree of solidarity in the way it has worked together to gouge the Canadian public. The withdrawal of capital from projects in western Canada over this past year and a half shows a similar tendency. The oil industry is acting in concert and not as a series of isolated and individual companies. Indeed, there has been very clearly a strike of capital.

If we look at the two amendments before us, Mr. Speaker, we see the differences among the three parties. The former energy critic in whose name Motion No. 21 stands, the hon. member for Etobicoke Centre (Mr. Wilson), says, in effect, yes, we favour 50 per cent Canadianization. But the only role he sees for public ownership is to pick up the pieces that the private sector does not want.

Last Friday he called this "picking up the pieces" philosophy the traditional Canadian way. The traditional Canadian way, as seen by the Tory party, involves public corporations taking all the unprofitable operations and private corporations creaming the profits. If there was to be joint ownership of a cow, the Tories would want the private sector to have the part that gave the milk, while the public sector could have the part that did all the eating and required all the attention.

● (1640)

Far from supporting our party's call for 50 per cent public ownership, the present Tory finance critic objected to the back-in provisions by which the Crown could obtain 25 per cent of new development on Canada lands. Several times he complained bitterly that some of these provisions were at no cost to the government or to Crown corporations. But in his speech he completely ignored past concessions. He said nothing about the overly generous grant system by which Canadian taxpayers put up $4 for every $1 which is spent by a 65 per cent Canadian-owned company in frontier exploration. Taxpayers through the government put up over 80 per cent of the money for exploration in these circumstances but get only 25 per cent ownership, while the private company puts up 20 per cent of the money and gets 75 per cent ownership. It sounds like a pretty good deal for the private company as far as I can see, but it is not good enough for the Tory party.

In addition to these grants, tax concessions give even more of a break to private companies, so that taxpayers put in 93 cents on the exploration dollar and private companies put in 7 cents. On that basis I cannot see where they can complain about having a 25 per cent back-in provision. In fact, it is too inadequate and we should be supporting Motion No. 22 which calls for 50 per cent.

With that kind of deal the Tories still object to the public's opportunity to acquire a 25 per cent interest, when in many cases it will have already paid over 90 per cent of the exploration costs. Also taxpayers will have to pay compensation for any of the 25 per cent options they pick up, but as far as the Tories are concerned it is too good a deal for the public.

On the other hand we have the Liberals. Their approach is best understood by reading excerpts from a speech given by

the Minister of Energy, Mines and Resources (Mr. Lalonde) last March in Toronto, as reported in the June-July issue of "The Canadian Forum". The minister said when talking about the Liberal party:

> We saw that since 1974 the oil and gas industry has been a net capital exporter. In spite of all the rhetoric about how much we needed the multinationals and about how they were doing such great things for Canada, all the money that they were spending in this country had been raised inside Canada, out of the Canadian taxpayers and the Canadian consumers, and that since 1974 the industry had been a net exporter to the tune of about $3.7 billion . . . We also saw that the decisions affecting the future of the oil and gas industry and therefore the well-being of all Canadians were being made by foreigners in the corporate boardrooms of the foreign parents—
>
> And my experience in the last year as a minister has demonstrated beyond any doubt that when it comes to the issues that count, those decisions are made where the control is, and that is outside of Canada . . . I suppose you can blame us for not having seen it before, and indeed I still knock my head on the wall every once in a while and say why didn't we do it ten years ago? . . . but that's no reason to abandon the task that's ahead of us.

It is touching to imagine the minister knocking his head on the wall, bewailing his failure to act and the failure of the government to act in past years. This is something which he shares with millions of Canadians who have been gouged by the oil companies, those who have suffered from past decisions of the government. As they face the consequences of the government's policies over the last ten years, they too want to bang their heads against the wall.

But the minister is not being completely candid when he pretends that he has only seen the light of nationalization in the last couple of years. The 1974 Liberal election platform promised a 50 per cent to 60 per cent Canadian ownership for all new energy projects. But of course, being part of the Liberal election platform does not guarantee very much. I remember reading a story about the late Right Hon. Arthur Meighen who at one point defended a policy which he thought was important. Someone shouted from across the floor, "That is in the Liberal platform." Mr. Meighen said:

> Mr. Speaker, I am sorry to hear it. Had I a wish dearer to my heart than all others, the worst fate I could fear for it would be that some day it would get into a Liberal platform.

We feel that way about some of our programs. We see the Liberals adopting the rhetoric of them but not including any of the substance. The Liberals are the great accommodators. They pick up a few progressive ideas from members of the New Democratic Party, a large measure of reaction from the Tories and bring them both together into a bureaucratic stew, and no one knows what it is.

The minister laments the failure of past policy decisions by the government. He admits that these decisions have not served the needs of the Canadian people. But ten years ago New Democrats were urging the government to obtain control of the oil industry for the Canadian people. Today we are showing the inadequacy of the present legislation. We would like to see some movement which will provide for a larger measure of public ownership, stiffer regulations to identify Canadian ownership with Canadian control, an increase in the percentage of that ownership before companies can obtain maximum benefits, guarantees for Canadian content in spin-off industries, and explicit protection for aboriginal rights and for the environment. Also we would like to see more emphasis on renewable energy and conservation.

We want to see some movement on these things in this bill. Otherwise, ten years down the road Canadians will be paying for these mistakes just as they are paying for past ones today and Liberals, if there are any left, will be saying, "It was an honest mistake". It will not be an honest mistake; it will be a stupid mistake. I urge support for Motion No. 22 to increase the Crown share from 25 per cent to 50 per cent so as to give the Canadian public some protection from profit seeking and to ensure that some of the benefits of the oil industry stay with Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nepean-Carleton (Mr. Baker)—Government of Canada—Decentralization program. (b) Justification for program; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Industry—Location of Aerospace Training Centre Institute. (b) Request for commitment to Winnipeg site; the hon. member for Skeena (Mr. Fulton)—Wildlife—Export of falcons to Middle East.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, under the motions now before the House we have heard considerable discussion both at an earlier sitting and today about the Canadianization of our petroleum industry. I want to take this occasion before we move to the vote on the motions now before us to clarify some of the major concerns which have

been raised and to review the intent of government policy in several areas.

First, it is necessary to define clearly what we on this side of the House mean by Canadianization. We mean Canadianization as being conducted both by the private sector and by the public sector. We look for one half of the oil and gas industry to be controlled by Canadians by 1990. As I have indicated in this House before, for us Canadianization means giving Canadian oil and gas companies, Canadian investors and indeed all Canadians, an opportunity to participate in their own petroleum industry, and an opportunity for Canadian companies to grow more quickly than in the past. Canadianization is not intended to force out foreign companies or make their operations in Canada unprofitable. For example, under the National Energy Program, the net cost to foreign-controlled firms exploring in Canada will remain lower than comparable costs in the United States.

● (1650)

Before the announcement of the National Energy Program a year ago tomorrow, an unforeseen ramification of one government policy was increased foreign ownership in the petroleum industry. I refer to our resource taxation policy. Companies already in the industry and with the largest production received large windfall profits due to skyrocketing oil and gas prices as the result of the OPEC increases. Most of these companies were foreign controlled. They were the main beneficiaries of the earned depletion allowance since that deduction from taxable resource income was available only to firms whose principal business was resources and who had existing resource income. Under the old policy, there was a built-in guarantee that foreign-owned firms would become larger. That dilemma was not faced by any other country and clearly was not one that would be tolerated by any other country. Things had to change, Mr. Speaker.

By 1980 the massively foreign-owned and controlled Canadian oil and gas industry accounted for almost one third of the non-financial sector profits in Canada. The government came to the logical conclusion that too much power was destined to reside in the hands of non-Canadians. Unlike the policies of many other countries seeking to redress a similar situation, this government offered profitable inducements to Canadianization, not expropriation, measures. The operations of foreign firms in Canada are very profitable. To the extent that they increase the opportunities for Canadians to participate with them, they can be even more so under the National Energy Program.

Unquestionably, some of the guidelines for companies in the oil and gas sector have changed but the changes are both fair and equitable. The program gives foreign companies an incentive to seek Canadian shareholders and partners. To the extent that they do, they can benefit from the same higher exploration grants that companies which are Canadian controlled already enjoy. Many foreign-controlled companies, recognizing the real concern of Canadians with respect to their own energy future, have begun to rearrange their affairs to take advantage of the benefits of the program. In doing so they are prospering under its conditions.

Canadianization is working. Since the National Energy Program was announced, foreign ownership of the petroleum industry has declined by about six percentage points and foreign control by about ten percentage points, to 67 per cent. Endorsement of Canadianization by the government of Alberta, the government of British Columbia and most recently by the government of Saskatchewan illustrates the strong support which the national government's position has gained in this regard.

In the agreement reached with Saskatchewan and announced on Monday of this week, the Premier of Saskatchewan and the Prime Minister (Mr. Trudeau) noted that energy developments in Saskatchewan should proceed rapidly. They went on to say:

> The two governments, working in co-operation, will ensure that Saskatchewan will play a significant role in contributing to the attainment of Canadian energy security and further Canadian ownership of the oil and gas industry in this decade.

Such a development is to be warmly welcomed, as is the imaginative and leading role that Petro-Canada has been playing in the Canadianization of our petroleum industry.

Last Saturday I had the pleasure of opening the first Petro-Canada gas station in Ontario in the splendid riding of Etobicoke North, an area of Toronto noted for its progressive thinking! I did so partly in honour of the hon. member for Vancouver-Kingsway (Mr. Waddell), who claims to be from Vancouver but in fact is from Etobicoke!

By mid-October this year some $6.7 billion had been spent on acquisitions of foreign companies in the over $100 million price range. Besides those acquisitions, however, there have been farm-ins by Canadian companies on foreign-leased land and the formation of new exploration companies with foreign and Canadian participation combined. Those types of activity are expected to increase once the Petroleum Incentive Program has been adopted, but I want to make it clear that the majority of Canadianization will be done by the private sector.

I should like to turn now to a point that has been raised in the course of discussion this afternoon. I refer to the question of the 25 per cent Crown share which is to apply to all oil and gas rights except those where commercial production has already been attained.

One must place the 25 per cent Crown share in its proper context. The provision is but one part of a broad and comprehensive new oil and gas regime in the Canada lands. As such, the Crown's share cannot be viewed in isolation from the larger package.

Individual portions of the new oil and gas regime do not replace particular aspects of the previous anachronistic system; rather, the present legislation extinguishes the present system in most of its aspects. In place of the old system, Bill C-48 makes available to current lease and permit holders, as well as to new players, an entirely new package which includes as one element, a 25 per cent Crown share. The new system, includ-

ing the Crown share, is an instrument designed to ensure that exploration and development of the resources in the Canada lands go forward rapidly.

Novelty has apparently resulted in some confusion. As illustrated in the program, there will be a 25 per cent federal cash incentive grant available to all explorers to offset the 25 per cent Crown share. This grant means that the government will be paying, and ultimately the taxpayer will be paying, its own way. Quite simply, the Crown share will not be a free ride. There is also no discrimination of foreign companies; the 25 per cent cash incentive is available equally to all.

Moreover, if the designated Crown operation converts to a working interest during the exploration stage, the government, in effect, pays almost twice for its interest during the balance of that stage. The private interest holder will continue to receive the minimum 25 per cent exploration grant in respect of his 75 per cent interest, while the Crown corporation will pay for 100 per cent of its working 25 per cent interest.

● (1700)

Between these two sources of funds, nearly 44 per cent of exploration costs will be met by or on behalf of the federal government. In this light, it is easily seen that the federal government is providing generous encouragement to firms with interests in the Canada lands. Not only is the government prepared to pay to all the minimum of 25 per cent in direct grants to cover exploration costs, but it is also prepared to pay up to 80 per cent in such grants, depending on the level of Canadian ownership.

Those who would criticize these measures should also consider that income tax rules continue to provide substantial indirect subsidies for many companies. The after tax, after grant costs of frontier exploration is greatly reduced as a result of the provisions of the National Energy Program. For example, Canadian companies will have net exploration costs as low as seven cents on the dollar. For others, the cash costs of a dollar expended on Canada lands exploration will be no more than 28 cents.

Against that background, let us consider the "back-in" share. Concerning application of the 25 per cent Crown share to oil and gas rights issued before the passage of the new act, there is a significant difference between the current Canada lands regime and the proposed package in Bill C-48. Under the current regime, holders of exploration rights are required to return to the Crown at least one half of their acreage, which could in certain cases involve up to 30 per cent of their discoveries, prior to obtaining production rights.

It is difficult to understand the argument of those who contend that the current regime's provision for return of acreage does not pose burdens to those exploring. If this were indeed the case, then why have explorers, in several cases, opted for special renewal permits on their entire acreage, thereby accepting a 25 per cent Petro-Canada back-in? They could have chosen to move directly to lease, thereby yielding up one half of their acreage, but avoiding a Petro-Canada back-in. They could have chosen to move directly to lease, thereby yield up one half of their acreage, but avoiding a Petro-Canada back-in.

Under the legislation before us, holders of exploration rights will not face this situation. They will be allowed to retain production rights to the entire area of an oil or gas field.

The Canadian taxpayer has long been assisting petroleum companies in meeting their expenditures in the frontier regions. Through taxpayers' dollars, Canadians have been funding much more than one quarter of frontier exploration and development costs. It has been common for more than 90 cents of an exploration dollar to be covered by the contributions of the Canadian taxpayer. It is an understatement to say that federal tax incentives have been generous.

There is no doubt that Canadians own 100 per cent of the Canada lands and the oil and gas resources beneath. Private companies are allowed to explore and develop these resources, but on the clear understanding that, as landlord, the federal government can set a regime which is appropriate to the circumstances. Of course, this situation is not unique to the Canada lands. It is the common prerogative of all governments having the responsibility of managing a nation's resource heritage.

There is no basis for charges of confiscation without compensation. The new system, including the 25 per cent Crown share, supersedes the existing regime in every respect. The only exception is in the case of fields which are already in production, for which, as I have said, existing terms will remain in force even after the passage of this bill. The government is satisfied that the proposed regime is equitable in every way. Nevertheless, to dispel any contrary concerns remaining on the part of those who have been critical of the 25 per cent Crown interest provision, we have proposed reimbursement of actual exploration costs already incurred. In that spirit of compromise, we introduced amendments to provide payments in respect of 25 per cent of expenditures made up to the end of 1980 in respect of any petroleum discovery which results from a well prior to that date and which qualifies to be declared a significant discovery prior to the end of 1982. Qualifying expenditures will be determined on the same basis as those eligible for inclusion in the calculations set out for the progressive incremental royalty elsewhere in the bill.

These payments will be made from the Crown share of production. To reflect the value in time of qualifying expenditures, they will be escalated at the rate of 15 per cent annually up to the end of 1980. We shall then pay 250 per cent of this escalated value of eligible expenditures as a first claim on the commercial production attributable to the Crown share. This factor of 250 per cent will ensure that these payments will retain a real dollar value in relation to the past expenditures covered, even if commercial production does not arise until the latter part of this decade.

The provisions for exploration and development on the Canada lands are fair to all interests; but as I mentioned earlier, one emphasis of our program is to reduce foreign holdings in our oil and gas industry to 50 per cent by 1990. This would still leave half of our country's most important

resource under foreign control, much more than would be tolerated in other industrialized countries.

It has been asserted that the recent takeovers by Canadians of foreign-controlled subsidiary companies have somehow been at fire sale prices caused by the National Energy Program. In fact, the biggest single takeover since the program was announced, the purchase of Hudson's Bay Oil and Gas from Conoco, was at a price that Conoco itself regarded as "fair and reasonable".

The bill, and the National Energy Program in general, have been developed to take into account the concerns of foreign investors as well as Canadians; but surely our friends must understand our resolve to attain one half share in our own oil and gas resources. We have heard voices in the United States which have apparently not been fully aware of the provisions of the National Energy Program and Bill C-48, and the legitimate concerns in the Canadian gas and oil sector. However, there have also been people in the United States who have grasped the essential element in our Canadianization program. For example, a Congressman from Florida recently noted in the House of Representatives that:

> Attention on our (American) side is centred on Canada's new national energy policy . . . Moves by Canadian companies to take over American ones in this country have also caused a reaction here. I suggest that if we understand our own reaction to a handful of Canadian takeover efforts in the United States, we can also understand Canadian concerns when almost three quarters of Canada's energy industry is in foreign hands. In fact some 80 per cent of that foreign participation is American.

I want to note the fact that we have heard voices coming from the United States Congress which do grasp the essence of the Canadianization challenge in Canada. However, I want to conclude by quoting a Canadian. The president of the Trans-Canada PipeLines Company recently stated this in New York:

> Americans think Canada's political motivation is hostility to the United States. No matter how much evidence there may appear to be to the contrary, this is a gross misreading of the country.

Mr. Deputy Speaker: I regret to interrupt the parliamentary secretary but his time has expired. He may continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. MacLaren: I thank the House for its indulgence, Mr. Speaker. The president of the TransCanada PipeLines went on to say:

> Canada's economic policies are not anti-American, they are pro-Canadian. When the motivations are understood, they are eminently reasonable.

In conclusion, it seems clear to me and to all those who are on this side of the House that the Canadianization of the industry as outlined in the National Energy Program and Bill C-48 is both fair and reasonable for all concerned.

● (1710)

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I rise in this debate to deal with a few points raised by other hon. members, in particular the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), the Parliamentary Secretary to the Minister of Finance (Mr. Evans) who spoke last Friday and those who spoke for the New Democratic Party.

First, I want to deal with this question of the 25 per cent confiscation of privately owned assets, which is part of Bill C-48 and part of the National Energy Program. The lead off spokesman for our party on this motion was the hon. member for Etobicoke Centre (Mr. Wilson). He outlined our position fairly thoroughly, and if anyone wants an accurate view of where we stand, he could read his speech. However, I do want to comment on some points made by the Parliamentary Secretary to the Minister of Energy, Mines and Resources. For example, he mentioned that this 25 per cent confiscation provision is justified because tax incentives were in place when the privately held companies initiated and continued their exploration programs. The assets acquired in Canada lands through the exploration funds spent in that area were supposedly in part paid for by the taxpayers of Canada. Therefore, the Crown was justified in coming along and taking 25 per cent without remuneration.

I cannot think of a more serious precedent for this country to establish than this. Specifically, if tax incentives are in place, this justifies future governments being able to seize part of the assets acquired as part of that tax incentive.

If that principle is accepted, then clearly anyone's registered retirement savings plan falls into that category. If you have a registered retirement savings plan, it was put in place as a result of a tax incentive. In other words, there was an incentive in the system for you to save money in the RRSP. If you invested that money and it is now worth something, based on the principle outlined by the Parliamentary Secretary to the Minister of Energy the government is perfectly justified in taking half of that asset. According to his principle, the taxpayers paid for half of it. That is the principle the parliamentary secretary outlined. It is an absolutely absurd notion. It is intolerable.

I have examined the situation in other parts of the world to see if there were a precedent anywhere in the democratic world where a democratically elected government had seized privately-owned assets, and I could not find an example anywhere. However, what I was able to find is something called "Political Risk Services", a consulting report prepared by Frost and Sullivan, Inc. in New York City. Frost and Sullivan assess the political risk of various countries around the world for the benefit of clients. It is a rather interesting list, alphabetically arranged. It assesses things such as the probability of a regime change, the probability of political turmoil, the probability of expropriation and the probability of repatriation restrictions. There is also a political risk summary.

The expropriation column is most interesting. For example, we find the probability for expropriation expressed in percentage figures is as follows: Algeria, 24 per cent; Argentina, which is not a democratic country, 15 per cent; Australia, 14 per cent; Austria, 10 per cent; Belgium, 10 per cent; Bolivia 18 per cent; Brazil, 20 per cent and Canada, 24 per cent. The probability of expropriation in Canada is exactly the same as

that for Algeria. The list continues: Chile, 10 per cent; China, 23 per cent; Columbia, 10 per cent.

Then we find a country with a higher expropriation probability than Canada, namely, the Dominican Republic, which has a 34 per cent expropriation probability. Next comes Ecuador with an expropriation probability of 24 per cent, exactly the same as that of Canada; Egypt also has a 24 per cent risk. The probability of expropriation in El Salvador is higher than Canada. It is shown as 58 per cent. Then we find Finland has a 10 per cent risk and France a 22 per cent risk of expropriation. That is interesting. France has just elected a socialist government which is expropriating all of its banks. Canada, which supposedly has a democratic, free enterprise government—at least that is what is claimed—has a risk factor of 24 per cent. India has a 19 per cent risk and Indonesia a 22 per cent risk. Canada is considered a higher political risk in terms of expropriation than Indonesia and all these other countries.

I could go on and on. Without exception, if you look at democratic countries as opposed to totalitarian countries on the right or the left, Canada leads the list. I have talked to people associated with Frost and Sullivan but they were not able to give me an example from anywhere in the democratic world where a democratic government had expropriated privately held assets without remuneration.

The parliamentary secretary did say that as a result of representations the government had made some changes and provided for some compensation for expropriated assets. The compensation would be 250 per cent of the current investment, but paid for out of future earnings. Let me repeat that, paid for out of future earnings. That is a cute trick. Members of the New Democratic Party would say that 250 per cent is outrageous and that was an overpayment.

Mr. Waddell: Right on.

Mr. Andre: But to anyone who looks at those numbers, the present worth of that payment is, according to one estimate I read, 5 per cent to 7 per cent. That is 5 per cent to 7 per cent of the real value. Another estimate by a company reckons that it would be closer to 1 per cent or 2 per cent. No one says it is worth more than 6 per cent or 7 per cent. They say that at the very outside the present worth of that future payment is perhaps 6 per cent or 7 per cent. Therefore, they are no longer confiscating totally. They will give the holders of the assets a maximum of 7 per cent of what it is worth in today's dollars. That is theft. As I say, no other democratic country has engaged in that kind of activity, which is outright theft, without remuneration. I think it is disgusting. Perhaps more than anything else that is responsible for the outflow of capital from Canada.

A government that would confiscate privately-owned assets without payment obviously would not think twice about things like currency control or putting up the equivalent of Berlin walls to try to keep capital in Canada. Obviously the same mentality that can justify confiscation of privately-owned assets can justify a whole lot of activity. People who are concerned about that are taking the opportunity to move their money out of the country. They have been doing it this year to the extent of $10 billion. If the minister of housing were really interested in people having to renew mortgages at such high rates, he would be clamouring with the minister of energy to stop this stupidity. After all, the minister of housing is carrying the political cost. Interest rates are 3 per cent or 4 per cent higher than they should be. People are having to pay that rate on their mortgages. The minister of housing is having to attend meetings in London and elsewhere, taking the abuse for that, abuse that more rightly belongs to the Minister of Energy, Mines and Resources (Mr. Lalonde), who put in place the policy that has caused these high interest rates. There cannot be any justification for that kind of confiscation.

The parliamentary secretary said that the Crown interest is not a free ride. The act says that they carry interest. Carried interest is jargon for free ride. That is legalese for free ride, and that is exactly what it means. It is a carried interest. In other words, you have an interest and you are carried by your partners. It is only when production starts that the government gets a working interest. PetroCan goes into a working interest. At that point in time anybody could take on the obligations and pay his share. At that point in time you have revenue coming in. At that point in time Harvie Andre with next to no assets could walk into the bank and borrow the hundreds of millions of dollars necessary to finance his share, because we would have guaranteed cash flow and would be going into production. The money is going to be there to service the debt and pay off the loan. For the parliamentary secretary to say that that represents the government paying its fair share, or PetroCan paying its fair share, is again an absurdity. It is not doing so, Mr. Speaker.

● (1720)

I also want to deal for a moment with the remarks of the Parliamentary Secretary to the Minister of Finance, when he denied in the House last Friday statements of fact by spokesmen of this party that money, equipment, personnel, rigs and everything else were leaving the country. He asked us to provide proof. Let me quote from his remarks. He quoted from an article in *The Financial Post* and then he said:

> That does not sound to me as though the National Energy Program is driving small Canadian companies out of Canada. It sounds to me as if they are saying the NEP is a very good program, that it will lead to additional exploration and development, and that they can hardly wait to get their drills into the ground.

The Parliamentary Secretary to the Minister of Finance should know better than that, and I am sure he does. I am sure he must have blushed a little bit when he made those remarks. I should like to read to him a Canadian Press story of today's date by Steve Mertl, Denver, Colorado. He said in his article, which incidentally is part of a parcel of news clippings collected by the Department of Energy, Mines and Resources, so it is not something I made up:

> About 50 U.S. subsidiaries of Canadian-based firms now have offices in Denver. They are here to exploit renewed interest in the potentially-rich Rocky Mountain formations and looking to prospects across the U.S.

In the same article in another paragraph he goes on to state:

Oil executives estimate that even under the new price regime the net return after taxes on conventional oil is four times higher in the U.S. than in Canada. And despite the high price accorded new oil from Canadian frontier reserves and enhanced recovery, the producer will receive less than in the U.S. because much of the increase in Canada goes to taxes and royalties.

Then the clipping quotes one Canadian who is now down there. It states:

"I find psychologically I've written off Canada" says Stan Jones, former director of the Canadian Association of Oilwell Drilling Contractors and now Vice-President of Trio Petro Inc. "I'm no longer angry."

That is sad; this Canadian who worked here says he has just written off Canada. He is no longer angry but he just left. He was tired of fighting and he just left. Let me bring a more illuminating fact to the attention of those opposite. This clipping goes on to state:

Perhaps the most ironic illustration of this lack of confidence is Lochiel Exploration Ltd., owned by Alberta Liberal Party Leader Nick Taylor.

Peter Kneeland, Lochiel's Secretary-Treasurer, and Sheldon Crewson, its Vice-President of Exploration, sat in on the conference. Crewson said the company is expanding its projected $10 million U.S. exploration budget, highlighting its Kansan drilling program. Lochiel, which has been here for more than a year, already has some production in Colorado.

Kneeland said Lochiel has been forced to cut back on its Canadian drilling. Not because it wants to, but because needed capital is nowhere to be found. It has fled to other investments or is waiting on the sidelines for better times.

Kneeland betrayed discomfort recalling his boss's initial support for the National Energy Program, but was quick to point out Taylor has attacked the Sept. 1 pricing agreement as a sellout of the industry and consumers.

Lochiel's presence in the U.S. is not hard to understand, says Jones.

When the NEP came out a year ago one of the few people in Canada who said it was a good thing was Nick Taylor, leader of Alberta's Liberal party. He was showing that he was more of a Liberal than he was honest. We now see that he said, for the benefit of his hopes or aspirations to join the Senate or some other body, "Yes, you are doing a good job"; but when it comes to his own oil company he says, "Fellows, you better go to Kansas or Colorado and drill there because there is no future for us in Canada". So he says one thing and does another.

We hear members opposite standing up and asking what we are talking about when we say oil companies are leaving. If they do not believe us I suggest they phone Nick Taylor. He is of their own stripe, the Alberta Liberal party leader. Phone Nick Taylor and ask him why Canadians are leaving to go to the U.S.

The final point I want to talk about is this matter of Canadianization and what it means. We have been accused, particularly by members of the NDP but also by members of the Liberal party, of somehow being against Canadian ownership, or of somehow not favouring Canadians having a larger position in the Canadian oil and gas industry. That is an absolute absurdity. In fact, I will personally put my record in this regard up against that of any member of this House of anybody who has spoken.

I was a charter member of the Calgary section of the Committee for an Independent Canada, now defunct. I joined, as a matter of fact, in indignation and outrage over what was then the law in Canada. The law in Canada in 1970 was that an American could drill a well in Canada on pre-tax dollars but Canadians could not. That was the law of this country and it had been the law for decades. It was an absurd law.

In 1947, which really was the birth of the current oil industry in Canada, the majority of the industry was Canadian owned. Through that period of activity during the 1940s and the early 1950s, particularly during the Korean war period, Americans were coming to Canada in great numbers to invest in the oil and gas industry. There was a particularly attractive tax regime in existence which was not available to Canadians. Canadians could not afford to compete with Americans for investments in Canada. That is what it amounted to.

James Gray, a well known Alberta-based author, talks about coming to Ottawa in the early 1950s and talking to the deputy minister of finance who was a personal friend. He asked what was happening with all these foreign-owned companies coming in and buying up all this development when Canadians could not compete. He said the deputy minister of finance said, "We don't give a damn who owns the industry as long as we can tax them". That is what happened as a result of that stupid policy, and that is all you can call it, and by 1975 the industry was foreign owned to the extent of more than 90 per cent.

After I was first elected in 1972, for the next four years this was a project I had in mind and I never lost an opportunity to speak in the House or to lobby ministers about this law. I see the hon. member for Sarnia (Mr. Cullen) sitting opposite. He will recall my lobbying when he was minister of national revenue. I remember lobbying the Hon. Donald Macdonald when he was minister of energy, mines and resources. I remember him saying in exasperation one day, "I agree with you but I am not the minister of finance and I cannot do anything about it". To his credit, when he became the minister of finance he changed the law in his first budget. He removed the principal business test.

What happened in the next five years was that the industry changed from over 90 per cent foreign owned to 70 per cent foreign owned with increased Canadianization. There was a huge increase in Canadian content in that period of time. This was not the result of the establishment of Petro-Canada and not the result of government intervention, but the result of adopting a set of laws which said that Canadians could compete on par. That is what is so phony about this current program. The government claims it invented Canadianization. That is absurd and the record is there. Give Canadians a fair shake to compete at par and they will in fact take up their rightful position as the movers, shakers and doers of this industry.

This is what they were doing until the NEP came along, and now they have all gone south, all in the name of this new discovery or invention "Canadianization". This is an absolutely phony and false declaration of what this government's policy really is. Its policy is to take more control for the bureaucrats, for government, rather than having individual Canadians being the owners, participants, actors and drivers in this industry.

• (1730)

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, when I hear the hon. member for Calgary Centre (Mr. Andre), I think of the generals who are preparing to fight their last war. I cannot understand why he gave another 20-minute speech against the National Energy Program when the Premier of Alberta, Mr. Lougheed, has accepted the program in his deal with Ottawa.

Let us deal with reality and with this bill. I am glad to learn the hon. member was a member of the Committee for an Independent Canada, like many of us in this House. But I thought he was a pimp for the oil industry when I listened to some of his speeches.

I should say to the hon. member for Etobicoke North (Mr. MacLaren), whom I see laughing over there, that when he referred to Etobicoke, that great municipality in the west end of Toronto, he reminded me of the time I lived there as a boy. Etobicoke for many years had a reeve named Ozzie Waffle. When I listened to the hon. member for Etobicoke North, he reminded me of the nickname we had for Ozzie Waffle. We used to call him "Woozie Awful". I thank the hon. member for bringing back those memories.

Mr. Regan: It is a sign of old age to reminisce.

Mr. Waddell: The hon. minister of whatever he was demoted to over there says it is a sign of old age. He should know.

The Chair ruled that Motions Nos. 21 and 22 were to be debated together, which is a good idea. The Chair also ruled that when Motion No. 21 is disposed of, this would dispose of Motion No. 22. I would ask the Chair to look at that ruling further. The motions are quite different. Motion No. 21 in the name of the hon. member for Etobicoke Centre (Mr. Wilson) deals with the Canadian ownership rate and with bringing more private enterprise into the measure. My motion, Motion No. 22, would have the opposite effect. It deals with giving Petro-Canada 50 per cent backing. In this bill, the government has suggested a 25 per cent interest for Petro-Canada. it is quite clear there are three points of view on this issue. Perhaps the Chair would consider this further. I submit that the votes on Motions Nos. 21 and 22 should be separated. I ask that the Chair reserve judgment on that.

I now wish to speak to Motion No. 22. I saw the hon. member for Athabasca (Mr. Shields) in the House earlier. I met him this summer in Fairmont Hot Springs, a beautiful spot. The beauty has not changed in the last 30 or 50 years. I said to him, "Isn't this a wonderful place?" He agreed with me and asked, "Could you ever develop it?"

Let us look at what we are doing in development. I do not understand the reasoning of other hon. members who have spoken on this motion, including the hon. member for Athabasca. When more than 90 per cent of every exploration dollar has been covered by the taxpayer, how can they say a 25 per cent Crown share is expropriation without compensation? We have to remember who the original owners of this oil and gas are. The hon. member for Calgary Centre asked for a list of countries which had taken over property. As far as Canada is concerned, surely that property was ours in the first place. It is not theft or confiscation. We own 100 per cent of that oil and gas. I will prove later on that through amendments the government has brought in, the companies are going to be more than adequately compensated.

I heard the argument that we were changing the rules in the middle of the game. When the government introduced the superdepletion allowance, where were my friends to the right? Did they get up and accuse the government of changing the rules in the middle of the game? Not likely. When the budget comes down next week and changes the taxation of some of our constituents, are my friends to my right going to get up and say this is changing the rules in the middle of the game? It is an absurd argument because it is our game and our oil and gas. Perhaps that is Tory logic.

The government has already backed down in dealing with Section 27 of the act. I draw your attention to the remarks of the minister in committee on January 20, 1981. He made all the arguments I have just made. He said in that committee, as reported at page 16-7:

> What, then, could anybody mean by terming this a "free ride"? Obviously the Canadian taxpayer is simply getting value for his tax money being used to finance and support oil and gas activities in the frontier regions.

He goes on to talk about the money Canadian taxpayers are contributing to exploration and development. He goes on to talk about the absurd argument about changing the rules in the middle of the game. Yet the minister, in response to the howling of the oil industry and their friends to my right, made changes in the act.

I quote from an article in *The Globe and Mail* dated May 15, 1981, an article by Jennifer Lewington. It states:

> Energy Minister Marc Lalonde has announced a number of limited modifications to the federal government's proposed oil and gas legislation, including compensation for past exploration costs associated with the Crown's retroactive 25 per cent stake in oil and gas rights held by companies. The concession means that the government will make payments in respect of 25 per cent of qualified exploration expenses on an oil and gas discovery resulting from a well started before December 31, 1980, and which is declared a significant discovery before December 31, 1982.
>
> Previously the government offered only to pay its share of costs once the 25 per cent Crown 'carried interest' was converted to a 'working interest', prior to a production licence being issued to industry.
>
> The compensation, based on a formula, will be paid out of the Crown's share of future production.
>
> The formula allows for those expenses incurred up to December 31, 1980 to be escalated at a rate of 15 per cent a year. The government then pays 250 per cent of the escalated value of the eligible expenditures as first claim on the commercial production coming from the 25 per cent Crown share.

Well, Mr. Speaker, the government already knuckled under on this matter. I do not know what my friends to the right are screaming about. What has happened is that in the past we paid 90-cent dollars to finance this exploration, and in the future we will pay 250 per cent. The hon. member for Calgary Centre said I would no doubt raise that point. Well, I am raising that point. It is quite clear that the government is going back and compensating the industry, and so we have to pay twice.

Before I sit down I wish to say something about the dangers of cutting back and the pattern emerging from this bill and its amendments. The government is slowly going back and gutting this bill. The whole intent of this bill can be gutted by changing the Canadian ownership rate. The crux of the bill is that 50 per cent Canadian ownership must be there before there is production in Canada lands. Canadian ownership is not defined in the bill. In the definition section of the bill it is merely stated that a definition is to come in this act or any future act. But it will be defined in the energy security act, an omnibus bill awaiting debate.

● (1740)

We are seeing pressure being exerted by the U.S. and by the Conservative party, as well as by the oil industry, to change the bill. The government is slowly backing down. I predict that it will back down on the Canadian ownership rate. The other day I demonstrated that Canadian ownership does not mean much without Canadian control. I predict that when they define the Canadian ownership rate, the government will bow down to pressure from the U.S. and from the industry. That has been the pattern.

Here are some of the concessions:

Extension of the life of an exploration agreement to eight years from five—

Extension of the exploration agreement, if drilling is under way on one or more of the wells required to fulfil the pact; a recognition that difficult conditions may prevent drilling of a well in the year it is started.

Allowing for exploration agreements, even where drilling moratoriums exist, with the permit holder not allowed to be active until the ban ends.

Sourcing of Canadian goods, services and labour was changed. Here is another back-down:

The cut-off date for "pioneer production," covering production not affected by this bill, is moved to December 31, 1980, from January 1, 1976—

We will speak about this on the next motion. Here is another back-down:

Deduction of the 8 per cent petroleum and gas revenue tax—

It is now 12 per cent.

—from the profit-sensitive progressive incremental royalty in recognition that the tax is a legitimate expense.

In other words, more tax deductions. Another back-down:

Widening the scope of three-year holiday from progressive incremental royalty to include fields where the discovery of oil or gas is the result of a well started before December 31, 1980, and qualifies as a significant discovery prior to December 31, 1982.

There are more motions to be debated here. There are a number of back-downs in this bill. What we are advocating in Motion No. 22 is that we go up, that we look at the regimes in the rest of the world. The hon. member for Kamloops-Shuswap (Mr. Riis) set this out in great detail. Australia has a tougher regime than Canada, as does Norway, Great Britain and Mexico.

We say that if you are going to give the company 93 cents on every dollar, you should not get a 25 per cent Petro-Canada back-in that is qualified. You should get a 50 per cent Petro-Canada back-in right away. Is that too much to ask if you are going to put in that much equity? Ask my good friend who will speak next, the good capitalist, whether he would want a 25 per cent return, if he put in 93 cents on a dollar I do not think so. He would want more.

The Government of Canada is entitled to get more from this if it puts in a 93-cent tax dollar. This is the biggest rip-off you can think of, the biggest giveaway in concessions.

Talk about welfare and welfare grants. Look at the welfare we give Dome Petroleum, which has not produced a barrel of oil. The leader of our party in Manitoba, Howard Pawley, who will be the next premier of Manitoba, suggested that $20 million be put into a Manitoba oil company. Lyon and the boys yelled that this would be enough only to drill dry holes. However, when Bill Davis buys 25 per cent of Suncor, something we suggested all along, it is great.

Mr. Blenkarn: What's good about it?

Mr. Waddell: Let the hon. member address that when he speaks. He can tell me how bad that is. Canadians are not stupid. They realize that if they are going to put in 93 cents on a dollar for drilling they should get a fair return. Canadians know that the government is going to spend $4 billion in these PIP, Petroleum Incentive Program, grants. Talk about welfare, $4 billion in grants going to the richest industry in the country!

My friends moan, groan, bleed and suffer for these poor oil companies, the richest group in the country. They make money hand-over-fist. It is the U.S. oil companies that are pressing President Reagan to have bad relations with Canada. When the Americans realize that, the tune will change.

My friend need not look smug, because he is way behind the Canadian public. He should have thought about that when they put up the Petro-Canada sign. Canadians want a few more Petro-Canada signs. The people in this country are way ahead of the politicians. They want Canadianization to mean, basically and fundamentally, public ownership. The way to do that is not by backing out and giving 25 per cent to Petro-Canada. I ask members opposite, where are your guts? Why not support this amendment and allow Petro-Canada to have a 50 per cent back-in? We could then have a regime right up there with Norway, Great Britain and some of the other industrialized countries.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mr. Waddell) really indicates to this House and the people of Canada how out to lunch he is. He points out the validity of national oil companies, points out the wonders of Norway, and I suppose he could point out the wonders of the Soviet Union. He can also point out the wonders of Mexico with its national oil company, big oil spills and inefficient operation. That company could not even deliver the 50,000 barrels a day it promised a year ago because it is so inefficient. That is what he would have us become; owned, controlled and run by the state.

Mr. Waddell: For the state.

Mr. Blenkarn: He says for the state. I say it is for the bureaucrats in Ottawa to run, the socialists to run and control.

That is what is wrong with this bill and the attitude of this government. That is the problem we have throughout the economy of Canada.

The hon. member talked about Dome Petroleum and said they were making piles of money. Their stocks only dropped from $25 to $15. An article in the paper this week indicated that, unless they were lucky enough to make a worth-while find in the Beaufort Sea, perhaps their stocks will fall totally out of bed and they will have a serious financial problem on their funded debt.

What we get from the New Democratic Party is the usual drivel. I thought the hon. member for Vancouver-Kingsway took his responsibilities as energy critic for that party seriously. He clearly wants to emphasize their socialist, neo-Communist perhaps, approach to things.

Mr. Waddell: No, no.

Mr. Blenkarn: He says it is not neo-Communist. State ownership controls production and distribution, the hell with individual controls. He says, "Don't let individual Canadians own it; make sure that ownership is in the hands of the bureaucrats." That is what he talks about. That is their policy. That is why the people in Vancouver will tell them what they think in the next go-around. The NDP motion is ridiculous. It is the major reason for our high interest policy, for our unemployment problems, for the flight of capital from this country, for the economic conditions that make things hard on people in Canada. It is this attitude, expressed by the government, egged on by the New Democratic Party, that is a cause of most of the economic problems we face here.

● (1750)

Let us deal with this bill. My friend related the arrangement in connection with Alberta lands; between Alberta and the Government of Canada, and said that Premier Lougheed endorsed this bill. If Premier Lougheed endorsed the bill, I suppose what he was really saying was, "By golly, you'll frighten everybody out of frontier exploration. At least whatever exploration there might be will take place on Alberta Crown lands, not on federal Crown lands".

This bill is dangerous in many ways. What it says is that should someone who has tendered and purchased drilling rights on Government of Canada Crown lands at auction, find something, they will lose a quarter. Sure, they get the money they put into it, the 250 per cent on capital investment as explained by the hon. member for Calgary Centre (Mr. Andre), but in effect they lose the deal. For example, they explore in a frontier area. They use their money. They buy their rights, and they agree to pay royalties. Then, all of a sudden, the government takes away a quarter of the deal. It takes it away without providing any compensation.

A suggestion was made by hon. members in the New Democratic Party that oil companies develop with the people's money. They ask, "What about all these grants we are giving them? What about all these tax allowances we are giving them?" First of all, I have not heard anyone from the oil industry say that the grants were a wonderful idea; it is the idea of the socialists. More important, they do not realize the enormous risk of frontier exploration. When they talk about the enormous profits of Dome, they do not realize that that company has yet to pump a drop of oil from the Beaufort Sea. Dome has used all its earnings from its interests, from this production in Alberta, all the money it can borrow and all the money it can get in one tax arrangement or another from investors, to pump into the north, and it has not yet been able to get a drop of oil out.

An hon. Member: How to get rich without producing anything.

Mr. Blenkarn: The hon. member says, "How to get rich—" I say to him, if it were such a good buy, then the hon. member from the New Democratic Party would surely have bought some Dome stock with that marvellous increase in salary members have received. Had he done so, he would have suffered the same financial losses that Dome stock investors have suffered.

An hon. Member: Too bad.

Mr. Blenkarn: He said, "too bad". That is their attitude toward Canada. He says, "Too bad about Canada, too bad about investment. We, like the bureaucrats, want to control things. We want to run things. We are the people who can make it go." The record speaks for itself. People cannot get food in Poland and we have to ship boatload after boatload of grain to Soviet Russia. The record speaks for itself. Their attitude is that Big Brother knows best. Maybe these little boyfriends of Big Brother will wake up one of these days.

Let us see what has happened. This bill, which allows the government to back in for 25 per cent of the action, basically for free, has caused us serious problems in the international field, in the money markets of the world. Six nations with OECD, namely, West Germany, The Netherlands, the United States, Belgium, France, and Great Britain, have all protested our handling of their foreign national companies which were invited to Canada to work. Those companies thought they knew the rules of our energy policy. It is the uncertainty of the present policy that creates difficulties. They believe that at one time they could trust Canada but that now they cannot trust us because their assets may be expropriated, seized, without compensation. This concerns them about Canada as a place to invest.

Whether or not that fear is justified, it is there. That is why this year alone over $10 billion in capital has fled Canada. I emphasize the words, "fled Canada". That is why our dollar has shrunk, and that is why we have to have an interest rate factor 4 per cent higher than the prevailing one in the United States to try to protect runs on our currency. People who look at the attitude of the government, such as that expressed by the parliamentary secretary, the hon. member for Etobicoke North (Mr. MacLaren), take their money out of Canada and place it elsewhere, where they perceive there is less risk.

It is that very business attitude that we are really talking about in Motion No. 21. We do not object to Canadianization and we think that Canada lands should be developed by companies that are 50 per cent Canadian owned or controlled. But there should be no back-in arrangements, there should be no change in the deal, and there should be no expropriation without compensation. We must not confuse the concept of Canadian ownership with outright nationalization. We half own Canada. This clause of the bill proposes to nationalize in an improper fashion. It seizes, it expropriates without compensation, an asset built up by an explorer. Oil companies are used to paying royalties and are used to paying corporate tax. That is the proper role of government. Pay the necessary requirements of operating a state by taxation. But this is not taxation; this is seizure of assets without compensation. That is not the way it should be done. Seizing someone's asset to pay for whatever it is, is the wrong way to go about it.

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

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

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

Mr. Blenkarn: Mr. Speaker, when we rose for dinner I was speaking about the effect of the national energy policy on this particular clause and the amendments before us. At this point I want to make it absolutely clear that my party believes fervently in Canadian ownership of the resources and of the businesses of Canada. We are prepared to work with any sensible program which will achieve that end. But the program which is the subject of Motion No. 21, particularly that which refers to Clause 27 of the bill, is a proposal not for Canadian ownership but for nationalization. This particular program has cost my constituents—and I do not know about the constituents of Mr. Speaker—a great deal of money, hardship and fear. The program has resulted in a devaluation of the Canadian dollar and in runs on the Canadian dollar. It has resulted in the high interest rate policy of the government. It is part and parcel of the fact that home owners must pay 20 per cent on their mortgages. It is part of the problem which every farmer in the country faces when he wants to borrow money to buy some cattle. It is part of the problem faced by every small-business man. Many hon. members of the House were small-business men before they were elected to Parliament. They know, as I know, that there are very few businesses which are able to show on their balance sheets earnings of 20 per cent or better year after year. The high interest rate policy caused by such provisions such as Clause 27 of the bill has resulted in fear and a flood of capital leaving Canada. This is what small-business men are paying for. What are they receiving for this?

Is there exploration activity under the terms of the bill, when conceivably the government can back into a 25-per cent interest in an oil or gas development? One can only back into something if there is something to back into. The effect of this legislation is to discourage and to impair development. It has already resulted in the flight of capital from Canada, not capital flowing into Canada to explore, create and develop in the north. This flight of capital is shown in the unwillingness or inability of Imperial Oil to complete the Cold Lake project and in the unwillingness or inability of Alsands to put together its tar sands project in Alberta, despite the energy agreement with that province.

There has been a flight of capital from Canada because capital will not be invested in a country where there is a possibility—and indeed under this bill the certainty exists—that the government will take 25 per cent of any find, virtually without compensation. That is exactly what is stupid about it. I say to the parliamentary secretry that the 25 per cent Crown right is only worth something if there is something there to make it worth it. As Canadians, we now own 100 per cent of all the oil and gas under the ground, under the sea, in the Canada lands, or wherever. What will we do about it? It is not doing us any good in terms of the gas pumps, the petrochemical industries or exports, because it is not available to be pumped, burned, used, consumed or sold. A 25 per cent interest in that is equally useless unless it is developed.

In a sense, this clause of the bill goes to the heart of the National Energy Program. It discourages development, initiative and exploration because it seizes from those who would explore and develop a quarter of what they create. What we have today is worth nothing. It is under the tundra. It is only worth something if people will go in there and drill in the snowbanks and marshlands, or build islands in the Beaufort Sea. Unless that is done, what may be under the soil is worthless.

• (2010)

No other government in the world says that it will seize 25 per cent of what people create. Other governments operate in a sensible fashion by taking a royalty, or maybe a percentage of profit royalty, and there is nothing wrong with that. They may want acreage payments for the right to drill, create or explore on that land. That is their approach. They have a corporate tax. The approach of this government is to seize the asset itself, take away the incentive to create, and then expect creation to take place.

The socialist approach will not work, Mr. Speaker. The approach of this government is not working. The danger and the problem with this approach is evidenced by the number of oil drilling rigs that have already left the country. It is evident in the state of our dollar, in interest rates. While there has been a great deal of Canadianization over the year, that has been accomplished by buying out properties owned by foreigners, not by the creation of new wealth.

In the years leading up to the introduction of the National Energy Program, we Canadianized the oil industry and we reduced foreign ownership from 90 per cent to 70 per cent by creating new business and new wealth in Canada, owned by Canadians. The Canadianization that has been taking place as the result of the national energy policy has been to buy up foreigners. Instead of using Canadian money to do what we were doing—and very successfully—in the decade prior to the national energy policy, by creating new energy resources in Canada owned by Canadians, we have driven out the foreign money; and so caused a problem with respect to interest rates for all of Canada; an exchange rates problem, a balance of payments problem, and we have caused trouble with our OECD partners in terms of trust in Canada as a place in which to invest. The NEP has not caused the creation of one drop of new oil. That is really the problem.

This national energy policy is not helping to build Canada. It is not helping to create opportunities for individual Canadians, whether it is to own their own home or have their own business or have a private stake in this land of opportunity. What we have done is to squash them down with an attitude that the state knows best, that Big Brother is superior and Big Brother has the right to take away part of what they create, without giving them compensation.

Some hon. Members: Hear, hear!

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have listened to the debate on Bill C-48 for some time, both in the House and in committee, and have heard various groups and associations discuss the broad principles of the bill which will take us forward in the Canada lands. I am certain that all members of the House recognize the importance of the bill and the long-lasting effects it will have. As I listened to the debate on the motion before us, it seemed to me that many of us may have forgotten that our basic goals are the same. That discovery may take us by surprise but if we look at what we all want, we will find that it is the same thing—more Canadian control of the oil and gas industry, more efficient development of those resources, resulting in self-sufficiency by 1990, or maybe before or after. We want a healthy oil and gas industry with the benefits it will bring to the Canadian economy and we want to reduce inflation and to see more employment. All of these spin-offs can come from a vibrant oil and gas industry.

I do not think any of these objectives are controversial or any of those priorities different. Perhaps the basic problem is that our philosophies are fundamentally different. I do not think we should lose sight of two things of very grave importance in this legislation, the fact that our goals are compatible and could be more compatible if the government had accepted more of the amendments put forward by all sides.

In Bill C-48 the government has presented its blueprint for resource development in Canada lands. We in the Conservative Party are saying, "Wait a moment." With this motion we are saying there is another way of accomplishing Canadianization than that proposed in the bill. That is our philosophy, if you will; we believe it will work better in the long run than the approach outlined in Bill C-48.

We believe that the private sector can do a better job of resource and development than the government can. In good faith, I ask members of all parties to consider that Motion No. 21 could accomplish, far more quickly than anything else in this bill, self-sufficiency and the resource development we need in northern Canada.

Let us step back from the specifics of the motion for a moment. I spoke about goals and said that our goals are compatible but that the means of achieving them were different. I asked members to consider how they set their own goals and their own priorities; how they go about reaching those goals.

I believe that when the individual is motivated from within himself to do something that will fulfil him personally, he is far more likely to drive for excellence than if he is told by someone else how to reach his goals, how he must act if he is to do it for someone else. When a person sets his own goals and develops his own strategy for attaining them, then he has all the motivation he needs to do a fine job. If someone else seeks to define his goals and tells him how to achieve them, he will soon find his initiative sapped, and his drive greatly reduced. I think that is one way to define personal fulfilment, that it is the end result of goal setting and goal achievement.

• (2020)

If one takes away an individual's ability to decide upon and to work toward his own goals, one robs him of that end fulfilment. By denying a person his drive, I believe that one encourages mediocrity. I always remember that when I was in school I hated to get involved in group projects. The reason was that no matter how hard one worked by oneself, when the project was completed, everyone received the same grade. It did not matter how much one was motivated or how hard one worked, when the end result came in, it was the same for everyone. I noticed this throughout my school years.

What happened as a result? Soon group projects were not done very well. The people in the lower grades who were initially motivated and who worked hard soon found that there was no benefit coming to them in participating in group projects, and as a result they slacked off. They stopped working as hard and soon lost that motivation which was so necessary to achieve good grades and a good education in school. I had often hoped that teachers would not organize group projects as often as they did, unless it was a type project that was fun rather than one that was meant to teach students, such as a math project.

If goal achievement is what spurs people on, it does not make any sense to say that society would be better off or better served by having government tell us how to attain our goals or how to reach achievement for this country. It saps initiative, promotes mediocrity, weakens drive, and eventually lowers us all to the same common low denominator. That is why I rejected the socialist philosophy at a very young age.

The well motivated individual will strive for excellence and perfection. He will use the resources within himself and his intelligence to move ahead. I have always believed that if the government adopted the same principle in this country and put some belief in the intelligence and initiative of the individual, we would move ahead and achieve our goals much faster, than if government decided what these goals will be and forced them upon our people.

A wise man said, and I believe it to be true, that an individual who does not care who gets the credit cannot accomplish anything. It is for these reasons that I and my colleagues on this side of the House feel so strongly about the value of the individual and his initiative being manifest in the private sector, and that is why we maintain that the goal of Canadianization can be achieved through the private sector, which would be much better for this country, rather than through the public sector, the way we seem to be moving now.

Some hon. Members: Hear, hear!

Mr. Schellenberger: Motion No. 21 says, "Yes, We want Canadian ownership." As does every hon. member of this House, we believe that Canadianization will be most effectively and efficiently achieved by promoting individual initiative in the private sector, and not by stifling it through the public sector.

There is a popular misconception that by increasing government ownership, somehow we become more Canadian than if we increased that ownership through the private sector, through private ownership. I say that this is absolutely false, and some of my colleagues demonstrated that by reducing foreign ownership from 90 per cent to 70 per cent in a very few years, before the National Energy Program was brought in.

In my opinion, Canadianization must be done through private individuals. We should be moving toward Canadianization by encouraging people to buy shares and be part of the company. Why do we not understand that principle? I myself did not understand it when I was going through school. We are not taught economics and the principles of the free enterprise system unless we go to university specifically for that purpose. Most people do not understand how the free enterprise system works, how companies work; what profits are. They do not understand how they can accomplish goals that we set in this country; what shares are all about, how one goes about buying them, what they can do for us in our work, and how they can lead toward a decision-making process in a company. They do not understand an individual, by owning a sufficient part of that company—and one does not need to own 51 per cent of it—can lead a company in the direction he wants it to go. Most Canadians do not understand that.

That is why I supported so strongly the transfer of Petro-Canada shares into the hands of millions of Canadian individuals. I fully believe that an individual who received that share would take greater interest in the energy production of this country. He would take some interest in that company, he would feel part of it, and he would encourage it to go forward and achieve its goals.

We have many examples of people who made that work. Surprisingly, most of them are in Alberta. I remember very well the time when the Social Credit government offered shares in the Alberta Gas Trunk Line, which is now the Nova Corporation, first to individual citizens of the province, and after the people of the province had taken all the shares they wanted, other people in Canada could participate.

The morning that that share issue was offered, people were lined up outside the treasury branches to pick off the shares. I know that the hon. member for Bow River (Mr. Taylor) remembers that much better than I do, because he was a part of that company. Recently, the Alberta Energy Corporation offered shares in that company to Canadians. Many members of my family, who had never before bought a share in their lives, went out and bought shares in that company.

Carl Becker said, and I cannot say it any better:

> The primary aim of all government regulation of economic life of the community should be, not to support the system of private economic enterprise, but to make it work.

Some hon. Members: Hear, hear!

Mr. Schellenberger: What we seem to have forgotten in this nation in the last decade is how to set the rules which will make the private enterprise system work.

Some hon. Members: Hear, hear!

Mr. Schellenberger: This is the basic philosophy for which this party stands. It was manifested in two measures which we attempted to introduce in the budget when we were the government. It was the first budget that was long on private initiative and incentives to private individuals. Farmers who sold their farms could invest $100,000 in RRSPs and use the RRSPs to invest in Canadian corporations so that the money would be productive and would not be put in the government treasuries to be frittered away, as it now seems to be so often. The second measure was an incentive to individuals to buy Canadian shares. If they did that and kept the shares for a certain number of years, they would have capital gains forgiveness. That was another incentive to encourage Canadians to take their money out of their socks, or wherever it was, and invest it in Canadian enterprise, and get the feel for it. Once having done that, individuals were surprised at how encouraged they felt to be actively participating in something. Many people in this nation have never had that feeling. As I said before, the second initiative related to getting shares of a large oil company which Canadians owned into the hands of individuals so that, again, they could learn more about the enterprise system.

Some hon. Members: Hear, hear!

Mr. Schellenberger: During the last few minutes I have, I would like to speak about another part of Motion No. 21 which I believe is so important; that is, the back-in provision. But I will be less proud of it when this bill is passed than I was before. Canada was held in high esteem by the world as a safe country in which to invest, a safe place in which to put your

capital for interest and investment. However, when a provision such as this is placed in a bill whereby one can retroactively back into an oil play, I believe that we will no longer be able to claim the esteem that we had before. Even if a certain amount, under the back-in provision, is paid back as described in the bill, the government has forgotten that there is much more to it than a basic payment under that back-in provision. I liken it to the situation when somebody expropriates your land in order to build a highway. You have a house on this land, but the land is expropriated. You are not paid anything for the trees that you have planted, the lawn that you have cultivated, or the many improvements you have made to the house before expropriation. Somehow there is a belief that everything goes along with the land. This same principle is placed in this bill. That is why the retroactivity, no matter how it is put together, is basically a confiscation and not the kind of legislation that will retain trust in this nation. I cannot say it any better than have some of my colleagues when they talked about the devastating effect this program was having on our economy. It is counterproductive. On the one hand we have high interest rates in order to attract capital into the country to assist our Canadian dollar. On the other hand, we have a policy which discourages and chases capital out of Canada. We also have a government that is using billions of dollars of taxpayers' money and encouraging Canadian companies to buy foreign controlled companies. That sort of thing does not bring us any more oil. It only chases capital out of the country.

● (2030)

Those are some of the reasons why I feel so strongly about this amendment. It is an option that should be seriously considered by members of this House. It is an option of basic philosophy about the way we forge ahead and govern this country in the future. I am surprised, not at the New Democratic Party because I can understand them, but at the fact that the Liberal Party would accept this kind of clause in a bill without amendment as a blueprint for the future of our country and the way to establish our goals for the enterprise that will go on in the future.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I take pleasure in having the opportunity to say a few words on the amendment contained in Motion No. 21 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). It is not something new to our party to find ourselves defending rights and freedoms time and time again. This time we find ourselves defending the principle of fairness that I thought all Canadians believed in, whether they are Liberals or whether they are New Democrats. Canadians are known throughout the world as being fair-minded, tough, strong and energetic people. But when we see a government expressing less than fairness in its motions and bills, it is incumbent upon all Canadians to object, not just Canadians on this side of the House, but also those who sit on the government benches whom I know to be fair-minded men and women. They represent Canadians in constituencies across Canada who are fair-minded and have elected fair-minded people.

The hon. member for Etobicoke Centre moved that Clause 27 be amended by striking out lines 36 to 42 at page 15 and lines 1 and 2 on page 16 in Bill C-48 and that the following be substituted:

"(2) Her Majesty in right of Canada is hereby vested with and the minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of fifty percent".

We have absolutely no disagreement that Canadians should own 50 per cent of their energy resources. I would have no disagreement if a statement were made by the government that Canadians should own 100 per cent of their resources. But I do not think any Canadian would say that he or she wanted to confiscate from someone in good faith and in good conscience that which they have developed.

We can look at the ability of our people who have worked and sweated for the last 114 years, using their initiative because they had the will, the strength and the belief that this country is one of the best countries in the world. I do not think anyone in this House would dispute that. Fifty per cent ownership is a great goal. One hundred per cent ownership is a better goal. But confiscation and allowing the government to back in to lands that have been developed, surveyed and seismographed, and lands in which hundreds of millions of dollars have been invested searching for oil that ended up being dry holes is not fair-minded. These companies that have invested money in dry holes are companies owned by Canadians. Many Canadians have shares in American-owned companies. Therefore, why penalize Canadians who are trying to Canadianize the oil industry? I ask the government, why does it want people who have invested their savings in an American company to suffer because the government says it is the right of this government to have 25 per cent of it?

I want to comment briefly about Petro-Canada. I understand that a PetroCan station opened up over the weekend. There was a service station in the same location before. The sign may have changed now. Although there was a Petrofina station there, people were selling gas and making a livelihood out of operating the station. It was not Petro-Canada who gave them that right. They had their livelihood before. What the government did was to buy an existing gas station. Petro-Canada, since its inception, has not found any more oil than some of the very junior oil companies in Saskatchewan. All that it has done is to use taxpayers' funds to purchase something that already exists. We find that with this amendment the government will not even have to use taxpayers' funds to make a purchase. It will back-in and confiscate something that did not belong to it. The government did not pay for it in the first place.

An hon. Member: Why are you buying time?

Mr. McKnight: I hear some noise from the left rump of the party over there.

An hon. Member: The little red rump.

Mr. McKnight: I have some comments that many members of the NDP understand. I am referring to the co-op movement.

I come from the province of Saskatchewan. I am proud of the co-op movement in my province. But what is wrong with the co-op movement is that people have decided it is associated with the New Democratic Party. That is what is wrong with it. It is not right. I see one of my colleagues from Ontario on the other side. In Ontario the co-op is a strong movement, but it is not associated with the New Democratic Party there.

Mr. Waddell: Yes, it is.

Mr. McKnight: We had the ability to form a Canadian co-op, as was proposed in the budget presented by the hon. member for St. John's West (Mr. Crosbie). He offered to the people of Canada the opportunity to buy shares in Petro-Canada. We said that we would help people buy shares in a company, that it would be a co-op and the people of Canada would own it. However, members of the New Democratic Party voted against that.

● (2040)

The only thing that is different between a co-op and a company such as we have now is that you and I as shareholders cannot sit on the board of directors and we cannot control the minister who is responsible for Petro-Canada, the Minister of Energy, Mines and Resources (Mr. Lalonde) in this House. We cannot control an administration that says it is going to provide a window for the world on our oil industry, and administration that states that it is going to create rules and instil faith in our country so the people will invest, and be the referee as well. The government says it is going to be fair. Mind you, it is going to steal 25 per cent of what the companies already have, but on top of that, the government has an adviser to the referee, namely, the minister, a player from PetroCan. Anyone who is familiar with any kind of refereeing or sports knows you cannot play and referee at the same time. That is what this government is doing with Mr. Phelps.

Having regard to the 25 per cent back-in, this may have been as a result of advice given by the PetroCan employee who advises the minister. It is no wonder that corporations involved in the energy field become just a little reluctant to share information with the government. PetroCan, now one of their largest competitors, has an employee sitting beside the minister who is making up the rules for playing the game. This is incredible.

The minister was asked in the House about the agreement with Mr. Phelps which provided for his being hired on June 16, 1980, by Petro-Canada, to be seconded to the political staff of the minister on the same day. That was a long term of employment by PetroCan. He has not worked for PetroCan yet, but the company is paying him a salary to supplement the $35,000 he gets as a government employee so he can have a little bit over and above the average. The company provided him with two interest-free mortgages to the tune of $35,000 to purchase his home in Ottawa. Talking about conflict of interest, the minister was asked in the House about the appointment of Mr. Phelps as his executive assistant. He said there was nothing strange about this, it is something that is done all the time.

An hon. Member: They do it all the time.

Mr. McKnight: My colleague, the hon. member for Esquimalt-Saanich (Mr. Munro) says they do it all the time. They may do it, but this is one of the few times we have found out about it. The minister says it is common with the executive exchange program. The Phelps arrangement had nothing to do with the program which allows executives to exchange jobs temporarily with the public service. He is not a public servant, and the exchange program, quite properly, does not apply to executive assistants who are members of a minister's political staff.

The 25 per cent back-in provision is bad enough. The government has presented a policy which will probably take millions of dollars from companies which have invested in this country in good faith. I would like to suggest that no one in his right mind could say we could have developed our energy resources or any part of this country to the state of sophistication we now enjoy had we not had outside foreign investment. There is nothing wrong with foreign investment, just as there is nothing wrong with Canadian investment in our own country. However, if you are going to change the rules, you should not change them in the middle of the game.

An hon. Member: Oh?

Mr. McKnight: As an accepted practice, governments should not change the rules in the middle of the game. In the province of Saskatchewan where I come from it is done quite commonly. This has also shown up in Saskatchewan in the exploration holes drilled in that province and also in the finds of natural gas, but that is another matter.

Let me use the example of Hibernia developed by the Chevron people. PetroCan has by legislation already acquired a 25 per cent interest in this field. Through this bill, the Crown reserves to itself a 10 per cent royalty, plus a 40 per cent progressive increment. The royalties, together with a federal 8 per cent petroleum revenue tax, should surely provide the government with more than a fair return on the people's investment in Hibernia. That is a fair share of those revenues. Other revenues would also be derived from production from this discovery, without the outright theft by this government, at a cost to the company, of an additional 25 per cent interest. It is more than difficult, it is impossible to continue to explore for oil and gas in frontier areas with this kind of set-up.

This company originally had no idea it would make a discovery and be able to pay a return to those investors who had confidence in the directorship of the company. This government says that on behalf of the people of Canada it needs a return on investment. I suggest companies also need a return on their investment. Let me say to my friends in the NDP, so do co-ops need a return on investment. Some co-ops pay out shares all the time. My colleague, the hon. member for Wetaskiwin (Mr. Schellenberger) when he attended the University of Calgary, established a precedent, with the assistance of a

gentleman by the name of Grant Devine. Because of the monopoly established by a grocery chain in the city of Calgary, he worked with an existing co-operative movement. That co-op has continued to pay dividends on individual shares. It is probably one of the few co-operative movements that has returned an equity share on investment on a consistent basis. This is done in that big, bad free enterprise province of Alberta.

The retroactive part of the 25 per cent confiscation provision is probably the most repugnant part. What happens as a result of it is something that we as Canadians will have to suffer over the next 25 years. We will continue to feel the effects of a lack of confidence on the part of foreign investors in this country. There is no industrialized country in the world that has been able to build without foreign investment. Probably the most industrialized and enterprising country we can point to is that neighbour to the south which was built on foreign investment. The American people were not born with large corporations or with the standard of living they now enjoy. They worked for it, strived for it and invested in it. They now should be able to enjoy the benefits. We in Canada should also be able to enjoy the benefits of investment, if investment had been encouraged. I cannot understand why a government has to confiscate or nationalize when it has the right of taxation and the right to set rules and guidelines. If it is not receiving enough revenue, it should raise the tax. It should not steal something that does not belong to it, something someone has worked for and invested in. The government cannot take it over just because it wants to change the rules of the game, because what it thought was proper ten years ago, now is improper and bad for Canadians.

● (2050)

If we look at the National Energy Program as a whole—

An hon. Member: You have that right.

Mr. McKnight: My colleague from Calgary says that I have that right. Unfortunately, it will put us all in the same hole. It is the government's intention to purchase the assets or shares of several of the large foreign-owned companies at a fair price. I find it difficult to understand why we have to spend the dollars of the Canadian people to buy a company that is already drilling for oil and has found oil and to have that company take our money right out of Canada and not find one more barrel of oil for that investment. This is what happened with Petrofina.

I see some members on the government side who are familiar with practical business. They happen to be farmers. They know very well that when one starts a project and works toward its completion, one does not welcome a neighbour coming in to take 25 per cent of it for the good of all. It is the same thing here.

The New Democratic Party, and quite often the Liberal Party, to my amazement, seem to feel that companies are not people. They seem to think that they all have two-storey suites for offices but that they do not represent people, that they are big, bad businesses. Well, they are people. They own and they have invested in those businesses.

Mr. Riis: We are talking about Exxon.

Mr. McKnight: If they do not invest in those business they will not continue and neither will you see any benefit or growth.

We hear ripples from the rump over there, the NDP members who, I am sure, have vast business knowledge, who have invested their own time, sweat and labour into creating jobs and have gone to a bank to borrow money to meet that payroll. To turn around and have the government come in and take 25 per cent of that is not socialism; it is stupidity.

Mr. Nielsen: Tommy Douglas and Gulf.

Mr. McKnight: Someone said Tommy Douglas and Gulf. It is Tommy Douglas and Husky.

An hon. Member: That is not a big company. It is a little one.

Mr. McKnight: It is a nice company. It is Canadian. I see nothing wrong with Tommy Douglas sitting on the board of Husky Oil.

Mr. Nielsen: He was the leader of the NDP.

Mr. McKnight: If the one-time leader of the New Democratic Party decides he would like to sit in a corporate boardroom up there on high and look down at the small people he purported to protect in my province of Saskatchewan for some 20 years, that does not bother me. I will not criticize Tommy Douglas for doing that. I would not even criticize the present leader of the NDP if he joined the board of General Motors. Although I would be concerned about his business sense if he went on the board of Chrysler.

I cannot understand why governments and parties with political philosophies—especially the NDP party which says it understands co-ops—cannot understand the principle of companies with shareholders to whom they report.

In closing, Mr. Speaker, I wish to say, as an individual member and a Canadian who is fair-minded, that I will be voting for this amendment and that I will be voting against the bill if this amendment is not included.

Mr. Deans: On a point of order, Mr. Speaker. I would like to draw to the attention of the House that the "P" in "NDP" stands for party. It is therefore redundant to say "NDP party".

Mr. McKnight: On the same point of order, Mr. Speaker. We realize that the "P" does not stand for party. We also realize that it does not stand for "principles".

An hon. Member: What a wit!

The Acting Speaker (Mr. Blaker): The hon. member for Athabasca on a point of order.

Mr. Shields: I think we all realize at this time, Mr. Speaker, that there is a lot of pee in the NDP. Thank you.

The Acting Speaker (Mr. Blaker): The hon. member for Western Arctic, not on the same point of order.

Mr. Dave Nickerson (Western Arctic): I think we have exhausted that particular point of order, Mr. Speaker.

Mr. Speaker, I would like to thank the intervenors for the information they gave us, but I would like to continue with the discussion of Bill C-48.

The question before us tonight is Canadian ownership. I do not think there is a single member of this House who does not favour an increase in Canadian ownership in the Canadian oil and gas industry. It is pointless to have members on this side getting mad at members over there, saying they are trying to sell out to the Americans, or to have members on that side saying we are trying to sell out.

An hon. Member: No, you give it away.

Mr. Nickerson: The argument is on the process of Canadianization and how it should be implemented. My friends to the left, of course, want to nationalize everything in sight. The way members opposite want to do it is to use Petro-Canada, the chosen instrument of policy. The way we on this side would like to do it is through Canadian private investment. We do not want the government to own the oil and gas, the refineries and the distribution network in Canada. These industries should be owned by private individual Canadians.

An hon. Member: What party is Bill Davis in?

An hon. Member: Good old Suncor.

Mr. Nickerson: The difference in approach, Mr. Speaker, in how we are going to accomplish this—

An hon. Member: Nationalize the airlines.

An hon. Member: Do you want me to beat the tan off him?

Mr. Nickerson: Let's have a little bit of hush. This is a serious speech! If I might continue, Mr. Speaker. The difference in approach between the members over there and the good guys on this side is the same as the difference between the carrot and the stick approach. Over there, they want to use the big stick approach, use the big Liberal stick on the mean American oil companies. They want to use the big Liberal stick on Canadian companies also. They want to use that stick to take away 25 per cent of everything they find on Canada lands. They want to use that big Liberal club to beat the Canadian taxpayer. Just look at the Petrofina fiasco, the amount of money that cost Canadians and the Petro-Canada tax they must pay every time they buy a gallon of gasoline. That is the difference in approach between this side and that.

• (2100)

When I first read Motion No. 21, I was amazed at the moderation shown by the hon. member for Etobicoke Centre (Mr. Wilson). I got to thinking about it. I could see the reason why he presented this motion. It was because there could be no way the Liberal Party could not accept it. It was so reasonable and rational that any right-thinking person would jump at the opportunity to vote in favour of it. It does not purport to get rid of the concept of Crown ownership, or to put Petro-Canada out of business, but to use the concept of the Crown share when it becomes necessary.

We like the Canadian ownership rate of 50 per cent. It is a nice round figure. We would not argue whether it should be 50 per cent or 60 per cent. Over a period of time, we might even adopt the approach of the NDP of 50 per cent one year and maybe 55 per cent a few years later. However, the Crown share should only be used when necessary. When the Canadian ownership rate is less than 50 per cent, the Crown should pick up the balance to bring the Canadian ownership rate to 50 per cent. What could be more reasonable than that?

The proposal of the government would take away 25 per cent from anybody and everybody. It does not matter what the nationality of the particular operator is. The government will take the 25 per cent Crown share, whether it is necessary or not, for the purpose of pursuing a policy of Canadianization. They want to get the bureaucratic tentacles into every acre of oil and gas lands in Canada lands. That is what they are up to. Their intent is plain to see. They want a government say-so. They want somebody from the Department of Energy, Mines and Resources to say what can be done with each little parcel in Canada lands. It will not be very long before that principle is extended to the provinces of Canada, if the government gets its way.

Mr. Munro (Esquimalt-Saanich): That is why they took property rights out of the Constitution.

Mr. Nickerson: That is correct. That is the basis behind that omission.

On a slightly different tack, I want to deal with what happens when the government has a share in an oilfield and the oil and gas rights to a particular parcel of land. This is not new. It exists in the north. It is in existence at the Norman Wells oilfield, approximately two thirds of which is owned by Imperial Oil and one third by our friendly federal government.

How does it operate? What advantages are there to the people who live in the area or, in fact, the rest of Canada in having one third federal ownership in that oilfield? I can think of no advantage. If you look at the efficiency with which that oilfield is operated, you find that it is less efficient because of federal government ownership. There is a disincentive to encouraging efficiency when certain costs can be allocated here and certain costs there so that items do not show up as profit on the government side. There is an inefficiency built into the system when the government takes over a sizeable proportion in that way.

Is it of any advantage to local people who would like to work in the oilfield or refinery? I do not think it makes one bit of difference. The same opportunities exist, regardless of whether

or not the federal government has a part ownership. I believe it makes no difference whatsoever.

What is most important, as far as the people in the area are concerned, is the price they pay for a gallon of heating oil or gasoline. I can tell hon. members that the price of those commodities right outside the refinery gate is about 20 cents a gallon more than in Ottawa. Therefore, what advantage is there to the people who live there and must rely on the oil and gas production of that refinery? What is the advantage of the one third federal government ownership? I suggest there is no advantage.

What about the people who live there who are involved in exploration, the gamblers? They are willing to risk money to find oil. If they get one break, they come out of the deal financially healthy.

I know quite a few people who were involved in the exploration business in the territories ten and 15 years ago. Because of successive years of Liberal administration and the way the northern oil patch had to be operated, they moved to Alberta. That was the place to make money. Alberta had a sensible government. If you invested your money in Alberta, were lucky and hit oil, you could sell that oil at a reasonable price and make money.

These people who for 15 years have lived on the same street as myself, up to about five years ago, are now leaving Alberta because of policies imposed by the Liberal party. Now they are taking their money and expertise to the United States. Federal policies have chased those people over two borders, the border at the 60th parallel and now the border at the 49th parallel. That is where they are going because that is where the money is.

I want to refer briefly to a matter brought to the attention of this House a couple of days ago by the hon. member for Crowfoot (Mr. Malone). He quoted a speech that had been made in Sherbrooke, Quebec by the Minister of Energy, Mines and Resources (Mr. Lalonde). The minister was speaking there in French to some of his Sherbrooke cronies. He seemed to open up a little more than he does in this House. He was quite frank about the policy of the government. The policy, he said, is to prevent money being made in the hinterlands of Canada. The minister wants to get his hands on the money and funnel it into Quebec, Ontario and other places where there are still a few Liberals around. He was quite frank about stating that policy. There was no argument whatever.

I cannot agree with that policy. In the future, there is going to be a great need for new capital investments in the west, in the maritimes with the Hibernia field, and in the north. The best way to accumulate that capital is to use moneys that have been generated in the oil and gas business in those areas. If that money is siphoned off, brought to central Canada and used to construct airports like Mirabel, or bail out corporations such as Chrysler and Massey-Ferguson, we will not reach our goal of self-sufficiency. There will not be sufficient money to invest in those areas of Canada where investments can pay off and the energy resources can be found.

• (2110)

My final point, Mr. Speaker, is that sometimes I find it difficult to understand why the people on the other side of the House, when it comes to Canadianization, will single out particular industries in particular areas of the country and neglect others. When they talk of Canadianization, the oil and gas industry immediately springs to mind. Why? It is because that industry is removed from their sphere of influence around here. The oil and gas industry, by and large, operates in areas of the country where the government has very little support. Therefore, it does not have to bother about the feelings and the wishes of the people in that industry.

When it comes to other industries where there is a considerable foreign presence, the food or manufacturing industries of this part of Canada, for example—and when I say this part of Canada I mean Canada within a several hundred mile radius of Ottawa—when it comes to those industries, do we hear the same arguments? No, I do not think we do. There is silence on those issues from that side of the House. It seems to me they are singling out industrial areas where they will not really be affected, but it can sure cause a lot of harm to people who live in the regions.

In conclusion, Mr. Speaker, I say we on this side are just as determined to achieve Canadianization as anyone else. But what we want to do is to use a reasonable and rational approach. We do not want to go around banging people on the head with big Liberal sticks.

Mr. Jack Shields (Athabasca): The debate before us today is one of the most critical on the National Energy Program or on Bill C-48. For a brief moment I should like to go back 17 years, particularly as today we are talking in the House about the tar sands, about heavy oil, and the massive amount of crude oil and synthetic crude that is available in these areas. Seventeen years ago in northern Alberta, just north of Fort McMurray, we welcomed with open arms the Sun Oil Co. and encouraged that company to invest millions of dollars in the first tar sands plant ever to be built so it could try to tap the abundant resource that exists in the Athabasca tar sands.

I shall never forget the opening of the plant. The people of the town of Fort McMurray were invited to the plant site, where the premier of the day, at that time Mr. E. C. Manning, said, with considerable pride, "This plant is here in Alberta today, and not one nickel of public funds has been invested in it". The Sun Oil Co., headed by its founder, Mr. Pugh, looked at the potential of the company and foresaw the impending oil shortage in the world. He took an entrepreneurial chance and said, "We are going to build the plant because some day, I think, we can develop the technology".

At least three times during the course of the past 17 years Sun Oil nearly closed the plant. They were not asking for any handouts or for any subsidies, but they were not making money. They were losing millions of dollars every year. But they persevered. They developed the technology. Because they became viable, another plant was built. The price of oil escalated. The OPEC countries which had control of virtually

all the major oil supplies in the western world started to put the noose around their necks. Today we are still at the mercy of the OPEC countries. My God, it staggers the imagination when we sit here and think about how much money has to be invested in the oil industry in Canada for us to even reach energy self-sufficiency or oil self-sufficiency by the turn of the century.

The people who are continually attacking the United States oil companies, the parent companies in the United States, are the same people who turn around and say, "Please come back and invest in our megaprojects. Come and invest in Imperial Oil at Cold Lake, but get out of the conventional areas. We do not want you there any more. You do not serve any purpose there any more." They say, "Come in, Shell Oil, because we need you up in the Alsands Project in Fort McMurray, but get out of that western basin. We do not want you there. Canadianize or you will not have the chance to participate in the oil play in Canada."

The government is moving to Canadianize the oil industry. For the past 20 years we have heard talk about Canadianizing the oil industry, Canadianizing our manufacturing industry, Canadianizing our auto industry, and Canadianizing all our industry. Let us buy Canada back.

I say to you, Mr. Speaker, and to fellow members, you cannot buy Canada back until you have the money to buy it back, if this is what you are talking about. You sure do not do this by using the taxpayers' money to buy Petrofina or to establish a government Crown corporation for show.

What kind of future is there? We have the oil and we have the resources in Canada. Alberta's Energy Resources Conservation Board held hearings last summer. Here are some of the findings that came out of those hearings: there are close to 6 billion barrels of oil in the deep basin area around the province's western boundary, enough to supply the country at current consumption rates for eight years. Whether it is recoverable depends on the price. Of course it depends on the price. What entrepreneur is going to invest in a hole in the ground unless he knows he has a chance to receive a decent return on his investment? I am not just talking about the foreign oil companies; I am talking about the Canadian oil companies.

● (2120)

The Alberta report indicated:

> It will take 30,000 more wells to gain maximum recovery from oil reserves now in place. This represents about half the discovered oil in the province.

It is indicated that 30,000 more wells must be drilled in the western basin to recover what they know is there. I urge hon. members to do a bit of arithmetic. Approximately 250 rigs are presently drilling in the western basin. They take anywhere from six months to eighteen months to complete a hole. How long will it take to drill 30,000 holes? The rigs are not staying in Canada. They are pulling out. They are leaving because the incentive is gone. There is no incentive to drill in Canada any more. They are moving out of the western basin. They are moving out of a business climate which was fair, equitable and stable to go to the United States and to Australia. We have lost the expertise, the rigs and the people. They will not return because an agreement was signed with Alberta. The government became greedy, took too much, and has not left enough for the industry. In turn they have said that that was it. The report states further:

> Alberta wells are now pumping five times as much water for the same volume of crude as they pumped in 1970.

This was eleven years ago. It continues:

> Enhanced recovery methods have the capability of producing slightly more than half the oil which Alberta is now pumping.

Before the industry will go into enhanced recovery, it needs the incentive and the dollars to invest in enhancement recovery schemes. It continues:

> Though discoveries in the last two years have improved Alberta's supply of conventional crude beyond what was expected in 1978, these improvements have been offset by the fact that existing pools are declining faster than expected.

From 1978 until the national energy policy was brought forward by the government a year ago this month, things looked pretty good, but the amount of oil was declining much more rapidly in existing pools. It continues to read:

> The largest pools existing in Alberta have already been discovered and "future discoveries will generally be relatively small and scattered."

This is true except of course for the deep basin. It has not yet been explored but it is there. It continues:

> By 1990 production of conventional crude oil from existing pools in the province will have declined to 32 per cent of present production and by 2000 to 10 per cent.

The declining known resources which they are pumping today in the western basin will decline to approximately 10 per cent by the year 2000. Where is that oil coming from? By the year 2000 there may be something from the Beaufort Sea and Hibernia. It will not be from the western basin because the incentive has gone. The industry has been chased out of the country. The report continues:

> —*The Financial Post* predicted that by the mid-1980s Canada would face an oil supply crisis—

This oil supply crisis will be of severe magnitude. They asked what would cause it. It was the shrinking of supplies from Alberta, coupled with the uncertainty of supplies from overseas. Canada was already importing 18 per cent to 20 per cent of its crude oil supplies. At the ERCB hearings, they talked about how they could get Canadian industry more involved, how they could get them working and searching for oil which is much needed by the economy. The report continued:

> "The Petro-Canada forecast of reserve additions and production reflects essentially a continuation of the existing pricing and fiscal regime."

Already they sound like bureaucrats. It continues:

> While it is not possible to put great precision on the relationship of additional supply to price increases, there is considerable evidence that the increased netbacks realized by producers of natural gas over the past five years have resulted in a greatly improved supply situation.

Petro-Canada is now adopting this bureaucratic language. What it means in plain, unbureaucratic language is that there was an incentive for people to go out to find natural gas. They knew if they found it, they could sell it. They knew if they sold

it, they could sell it at a profit. That is all that was said in this statement. They found plenty. They found all kinds of natural gas in the Elmsworth field and other fields of like magnitude. Petro-Canada went on to indicate in its report:

> If the existing pricing and fiscal regime for crude oil were changed such that producer netbacks were significantly increased, it is very possible that greater reserve addition and production levels could be achieved.

In other words, Petro-Canada indicated that if there were an increase in the netback to producers on the oil discovered in the western basin, they would find more. It is pretty simple.

Now I should like to touch upon the amount of money which will be required to put Canada on the road to energy self-sufficiency in this century by the year 2000. The year 1995 has gone by the wind. There is absolutely no way, despite the promises of the great energy czar, the Minister of Energy, Mines and Resources, and his underling, the Prime Minister (Mr. Trudeau), that we will reach energy self-sufficiency by 1990. We will not do it. It is becoming clearer and clearer every day that we will not reach oil self-sufficiency by 1990. To reach oil self-sufficiency by the year 2000 will require a direct capital investment of at least $260 billion in 1980 dollars in oil-related fields alone. I am talking about drilling in the Beaufort Sea, in Hibernia and in the western basin. Also I am talking about the megaprojects which must come onstream from the Athabasca tar sands, from Imperial Oil at Cold Lake, from Alsands at Fort McMurray, and from at least five more projects. All energy sources and all knowledgeable sources have indicated very clearly that there must be massive capital investment of at least $260 billion in today's dollars. Where will that money come from? We are saying that we are going to Canadianize the oil industry—and I agree with that, but not in the way that the government is going about it. What sense does it make to spend millions upon millions of dollars to buy an existing oil company that is already doing the work we want it to do? If Petro-Canada wants to get into the oil business, let it, but not at the expense of other producers. Let it get out and find oil.

● (2130)

If we want to Canadianize the industry, we could use a taxing structure. Surely there are knowledgeable people on the government benches who could work out a taxing structure that would give an incentive to investors who now invest in foreign oil companies.

We have the technology and we have the resources. That technology was primarily given to us by our good friends south of the border, and I say that in all sincerity. The technology that was developed in the United States by the big, bad multinational oil companies is accessible to us and has been used in Canada.

An hon. Member: Free?

Mr. Shields: I hear now from the little red rump down there. All they want to do is tax the blazes out of the people and buy everything. We do not have enough money to buy everything, and that is what I am trying to point out to them.

The technology that was available to Canada is not available in the U.S.S.R. We can drill a hole in three months. To drill a similar hole in the Soviet Union would take approximately two years because they do not have the technology. We have the technology, we have the resources and we must invite capital into the country to develop those resources. We must do this immediately or we will all be freezing in the dark.

Some hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am very pleased to participate in the debate on Bill C-48 and the amendment introduced by my colleague, the hon. member for Etobicoke Centre (Mr. Wilson), Motion No. 21 which is before us tonight.

Without any catcalls from left, centre, right or front, let alone from the back, I want to say that I was not going to participate in the debate tonight until I listened to the speech by the hon. member for Westaskiwin (Mr. Schellenberger). As I sat behind the curtain doing what I sometimes do, puffing on a cigar, I was very much taken by his philosophical stance and perception of this very fundamental amendment. This bill has taken many days of the time of the House, but frankly, Mr. Speaker, at this time in Canadian history, I do not know what bill would have more business to be before the House than Bill C-48.

My friends from the left are interjecting, Mr. Speaker, but I am not going to go looking for rabbit tracks. When you are after elephants, you do not follow rabbit tracks; you do not go down a dead-end street that leads you to a rabbit warren that is sterile.

As I sat there—and I admit that I was puffing on a cigar that was not Canadian made but was given to me by a Canadian, but regardless of that—I thought that, in a philosophic sense, this bill does many things and this amendment does many things. We are talking about Canadianization, and this is an interesting time in Canadian history. Next week the premiers and the Prime Minister (Mr. Trudeau) are supposed to get together—and I suppose they will—to try to resolve some of the fundamental problems that have affected the country for some time. In the House today we heard that the Minister of Finance (Mr. MacEachen) has got another Hamlet, a second coming type of thing—now it is the third coming—and we may or may not have a budget, depending upon all these things.

As we are talking about Canadianization, it really hit me tonight that if there was ever a time to demarcate those people on the right of the Speaker and those people on the left—at least those people in the official opposition because there is no opposition to the left of the left ever since the constitutional motion came to the floor of the House—in terms of the House of Commons there has only been one official opposition according to the Speaker and that is absolutely true, and in terms of the constitutional debate there is not only the official opposition, there is absolutely zilch opposition to the left of the official opposition.

An hon. Member: Repeat that.

Mr. Nowlan: I will come now to the topic of Canadianization. I know that you read history, Mr. Speaker. You used to be a radio broadcaster long before you graced the chair. You will have heard the words of Hugh MacLennan, the Canadian novelist who wrote "Two Solitudes". It used to be that a member could not stand in his place in this House and mention two solitudes, without people immediately thinking of English and French or French and English. MacLennan wrote that book, a book which is still very applicable today but, Mr. Speaker, there are other solitudes. Never have those solitudes been more clear than in this debate on Bill C-48 tonight. Without getting into linguistics or even peoples, we get into the philosophy of people. That is what is missing, Mr. Speaker, and it is one of the problems with this country today—the philosophy of where the country is going.

Stimulated by the speech by the hon. member for Wetaskiwin, it hit me, as some things hit if one listens with an open mind, that tonight we are talking about those who are producers and those who are parasites; we are talking about those who believe in the profit motive and those who believe in penalty; we are talking about bureaucracy versus business; about initiative and incentive versus the chloroform of controls and regulation ad nauseam. Fundamentally, that is what we are talking about. I think there are some members opposite who share my philosophic view but I am sad to say that, unfortunately, what we are talking about on this bill tonight is the separation of Grits and Tories.

It is a sad irony, a sad paradox, that as the premiers and the Prime Minister sit down around the federal-provincial table at the beginning of next week to try to resolve the problems of the country, it has never been more clear in the House that the problems of the country are right here in this House, because we, the representatives of the people, have been separated by fundamental solitudes.

You have been in this House and I have been in this House as other members have tonight, Mr. Speaker. We have also heard some of the debate that has taken place over the last year or several months. What are we talking about? Canadianization.

• (2140)

Mr. Deans: That's a very good question.

Mr. Nowlan: Hon. members on the left can indulge in catcalls all they like and pretend they believe in the low income earner and the person who has nothing. I suggest that the persons who are watching the debate tonight in the House of Commons are not that excited or uptight on the matter of Canadianization and further extensions of Petro-Canada. They would like to know and have the security that they could Canadianize their homes—

Mr. Deans: At a price they can afford.

Mr. Nowlan: —and that the price of the interest rates will allow them to keep their homes. They would like to understand when the Minister of Transport (Mr. Pepin) or the Prime Minister (Mr. Trudeau) says, as he did today, "There is a time and a place when governments have to cut and chop because there is no time for government to spend money forever. That is why we cannot spend on trains." There is more than the odd Canadian who would like to believe that if the government can spend $1.5 billion for Petrofina and $650 million for Pacific Pete, surely it can find $100 million to help subsidize the trains until we can sort out a cost formula. VIA Rail cannot understand that, and CN and CP would never have the nerve to confess how they are raking off VIA Rail, which is supposedly the people's railway.

What else is fundamental to the people of Canada? There is nothing more fundamental to the people of Canada than something called—I do not want to get catcalls—it does not relate to languages but to weights and measures. It is an irony and a fundamental paradox that weights and measures, that is the metric system, and the essence of the metric system, have never been debated in the House of Commons. Does Your Honour know why people outside the House are a little alienated? They are alienated because these things that they think are fundamental are ignored by the House of Commons. What else is there that is fundamental and sacrosanct, without getting too political? It is something called the post office and the lack of service. That is something fundamental, and one can talk all one wants about Canadianization. Many hon. members on this side of the House have talked about Canadianization.

I am from a part of a country which believes that government must help those who cannot help themselves. I am proud to be a member of a party which has done things for this country in the short period of time that we were in office which have helped those who cannot help themselves, be it CBC, the CNR, the BBG, the Board of Broadcast Governors, you name it. In the short period of time we were in power, we added quality to public life, in spite of the narrow perspective of the period of time that we have been in public life, because we have not been in government long enough.

Frankly, I hope this debate continues for days until we really know what the premiers and the Prime Minister have to say about some fundamentals. However, those fundamentals are important for the long term. I am not denigrating the constitutional debate, but I am saying to Your Honour that never have the two solitudes—not meant the way MacLennan meant it, but in terms of a House of Commons—debated in this chamber for hours, ad nauseam, until the people of Canada outside wonder what the devil is going on.

We have had this debate for days. I am saying to Your Honour, with respect, that this House of Commons must start to come to grips with some of the fundamental problems wich affect the people, the philosophy behind this bill. We can have all the federal-provincial conferences we want in the world, but we must define our philosophy. I admit reluctantly that although some of my friends to the left have a philosophy, I do not subscribe to it. That philosophy is not what developed this country into the type of country it is today. That philosophy is not the type which gives so many of those friends of mine in

the NDP a chance to come into this House and espouse their theoritical principles and their theoretical philosophy, because that philosophy forgets one basic ethic. One does not get anything in this world unless one is prepared to work for it. There is no free lunch, as we heard it said around here earlier.

What many of us have been trying to say in Bill C-48 is that one can have all the ministers of energy, mines and resources in the world trying to Canadianize the energy situation in Canada with Houdini's wand, but unless the basic philosophy of producer versus parasite is maintained, the mainstream that we in this House have been given will not continue.

I have been in this House for a few years. There are hon. members who are younger than I am. I will not become overly romantic or sentimental tonight about the heritage we have been given; but a heritage has been given to this country. The two solitudes exist because of the political framework and the make-up of this House of Commons. We would not have this debate in the House of Commons had there been, in the old days of Mackenzie King and St. Laurent, some strong spokesmen in this House from the varied regions of Canada. The government cannot nominate to the upper chamber these political eunuchs who are supposed to be the spokesmen of the main regions of this country. It needs the Stewart Garsons and the Jimmy Gardiners who were Liberals in the classical sense. It needs to balance those voices against those in the time of John Diefenbaker, strong voices from all parts of this country. This press of ours is so mesmerized by television that it does not take the time to really study some of the underlying philosophical and political currents which are affecting this country. It will never get the handle on the federal-provincial conferences coming up.

An hon. Member: Tommy Douglas.

Mr. Nowlan: I have the fullest respect for Tommy Douglas. The parliamentary secretary—or undersecretary, because he is so far under the secretary of energy, mines and resources, yet he is a fine man in the publishing world—is supposed to do something about Canadian history. However, unless there are people of his ilk who have consciences and some appreciation of history, I am saying in all seriousness tonight that this country, regardless of what happens on Monday or Tuesday, will not be here in my children's time. That is how serious I feel the situation to be.

I implore hon. members on the opposite side and members of the NDP, who come from a pretty homogeneous group to understand that it takes government members who have serious questions about either the Constitution or Bill C-48 to get a proper perspective, not the smug perspective that radiated tonight from the face of the secretary for energy, mines and resources. Unless hon. members of this House of Commons can get a wider perspective than the narrow constituency one, unfortunately, as this House is divided, I am not optimistic about what will happen to this country. I am an Irish Canadian, a Nova Scotian who has been conditioned to be optimistic about anything, because I have had to be.

Mr. Waddell: You must have kissed the Blarney stone, too, eh, Pat?

Mr. Nowlan: However, I am not going to go down those rabbit trails of public advocates who have yet to earn their hard dollar in the world of law. After one gets three years of Tommy Berger on that commission in the north, one can come into the House of Commons as knowledgeable in energy as is the hon. member for Vancouver-Kingsway (Mr. Waddell). Regardless of that, I am not talking about individuals; I am talking about a national scene and, frankly, a national sickness. Unless we can start to reflect on the reasons we are here, that it is free enterprise, that it is producer versus parasite, that it is not just profit or penalty, not just bureaucracy and no lack of respect for the business, we will have continuing difficulty here. The fundamental of Canadianization, as much as we want to philosophize in this House, is the right of a Canadian to have his home, to have his family and to have his job. Unless we start to think in that sort of simplistic, general, but fundamental way, we will be debating Bill C-48 and the problems of Canada until the cows come home.

Some hon. Members: Hear, hear!

• (2150)

Mr. Peter Elzinga (Pembina): Mr. Speaker, in the short period of time left to me prior to the calling of ten o'clock, I will not endeavour to get into the specifics of this legislation as have so many of my colleagues before me. I will leave the energy field to them because they are more knowledgeable than I. However, in speaking to Motion No. 21 before us pertaining to clause 27 in Bill C-48, I would like to philosophize somewhat on the implications of what we stand for in our motion as compared to what the other two parties stand for.

I have found in the seven years that I have served in this House of Commons that the members on the government benches opposite have been so preoccupied with the redistribution of wealth that they have given no concern to the generation of wealth. Unless we have generation of wealth here in Canada, Canadians will suffer. I can think of no better example to share with the House than the budget that we introduced and on which we were defeated in December, 1979.

There are many philosophical undertones to that budget. We have a deep belief in the Canadian individual who built this country. Individuals built this country, not governments. Governments simply take from the people. In our budget of December, 1979, it is interesting to note that we were reducing the government budgetary deficit and government spending. The social policy planning board of Canada indicated that it was the most socially progressive budget that had been introduced in Canada in the ten years prior.

Some hon. Members: Oh, oh!

Mr. Elzinga: I hear some heckling from my friends to the left. As our House leader indicated, they are social parasites. I appreciate the comments made by the hon. member for Athabasca (Mr. Shields) who calls a number of them a red wart on the red rump.

This motion points out clearly the philosophical difference between us in the Conservative party and the Liberal and New Democratic Party coalition, as did the constitutional discussion in the House.

Mr. Deans: What has this got to do with the bill?

Mr. Elzinga: We believe in the individual worth of Canadians. We believe in the free enterprise philosophy. It is quite obvious the other two parties do not. All we have to do is take a look at their actions. They speak for themselves.

As our spokesman has indicated, basically we support the 50 per cent Canadianization content and ownership. We would encourage Canadian ownership. We would encourage it in a totally different way from what this present administration is doing. There is no finer example to illustrate how we would encourage this than that of Petro-Canada, and what we were going to do with the petroleum company of Canada. We were going to allow individual Canadians an opportunity to participate in the development of their resources by participating directly in the development and in the profits of the company. But our friends opposite and our friends to the left would not allow Canadians that opportunity. They feel they are that much wiser than the individual Canadian.

Mr. Deans: They went to the polls and turfed you out.

Mr. Elzinga: They feel they should control it rather than individual Canadians.

I have never in my life seen a party more hypocritical than the New Democratic Party.

Mr. Deans: Take a look around you.

Mr. Elzinga: I wish to share with you some specific examples of hypocrisy.

Mr. Deans: You epitomize hypocrisy.

Mr. Elzinga: The budget on which we were defeated in 1979—

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

Mr. Fulton: Mr. Speaker, I rise on a point of order. I recognize that you have endeavoured at great length to offer as broad a latitude as possible to all members of the House in this debate, but the level of slop that is coming from the right at the moment is irrelevant to the taxpayers of this nation. It is particularly irrelevant and hypocritical when we are discussing a bill that is extremely serious. It is improper for members to come into this chamber completely unprepared and to speak in only vaguely relevant terms on the bill. I would request, as a member of this House, that you give some direction to those speakers who are not even vaguely aware of what Bill C-48 is all about.

Mr. Elzinga: Mr. Speaker, what we have heard from the hon. member is typical of that party. They are not happy only dictating to the Canadian people. Now they want to dictate to the supreme being in this House, namely, our Speaker.

The Acting Speaker (Mr. Blaker): Order, please. I have been offered the opportunity to be the supreme being. I have no choice but to seek recognition. I did not take up the point made by the hon. member for Skeena (Mr. Fulton). I think he was arguing on a point of order that there ought to be some greater degree of relevance.

Mr. Andre: The point of order should be more relevant.

The Acting Speaker (Mr. Blaker): The difficulty is not a new one to either hon. members or to the Chair. As I have done on previous occasions, I would suggest to the hon. member for Pembina (Mr. Elzinga) that he, as well as other members, may wish to consider the suggestion made by the hon. member for Skeena. That is the best that I can do, other than to make an outright ruling that something is not relevant.

Possibly some of the heated language could be moderated. That would perhaps get us through to ten o'clock, which is not far away.

Mr. Elzinga: Mr. Speaker, I should tell hon. members in this chamber that I am dealing with the Canadianization clause and the back-in provisions of 25 per cent ownership, but I have some introductory remarks to lead up to that.

Mr. Deans: Not at the report stage, you don't.

Mr. Elzinga: As I was saying, I want to deal with the hypocrisy of the party to my left. I could deal with that very quickly by mentioning two items that we had in our budget, namely the energy tax credit and the mortgage deductibility program. We advocated the energy tax credit. Hon. members over there voted against it but now they are shouting to have it included. That illustrates one example of the hypocrisy of my friends opposite.

Some hon. Members: Hear, hear!

Mr. Elzinga: We would like nothing better than to have an election now.

Some hon. Members: Oh, oh!

Mr. Elzinga: The second example is the mortgage tax credit program. Our friends were shouting that we should do something for the home owners. They had great concern for them. But when they defeated us in this chamber, interest rates were only 14 per cent. These people have contributed to the rise of interest rates by some 6 per cent to 7 per cent. They are directly responsible, as are hon. members opposite. But now they come out with their deep concern for social causes, such as the need to help the home owner. We advocated that help

over a year ago. Where was the New Democratic Party at that time? They defeated us simply for political expediency.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT OF CANADA—DECENTRALIZATION PROGRAM. (B) JUSTIFICATION FOR PROGRAM

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, on October 16 last I asked a question of the President of the Treasury Board (Mr. Johnston) with respect to the infamous decentralization program of the government. I indicated at that time that the program seemed to have some life in it again, marked by the move of the philatelic mail order section of the post office to the riding of the Minister of Finance (Mr. MacEachen), together with the announcement at a management meeting that the citizenship records branch of the Department of the Secretary of State was being transferred. The minister's answer with respect to this is very important. He did not deny the two organizational moves that I mentioned. He went on to say that "the government has never backed off the policy" of decentralization, and that ministers would be making announcements from time to time. I assume these announcements will be timed to suit the political patronage convenience of the respective ministers. That is some program, Mr. Speaker. The old policy has been dusted off and we can now expect its revitalization.

• (2200)

I have to tell the House again tonight that there is yet another proposal before the Treasury Board which has to do with the land engineering test establishment of the Department of National Defence at Orleans, Ontario. The people who realize the importance of the presence of that government high technology establishment in the capital of Canada are saying, "build a building here so we can get on with our work". There are others who are giving active consideration to moving it somewhere away from the centre of high technology in Canada. This is another waste, and I think the government should be condemned for it.

I characterize this return to the policy of decentralization as a return to the most wasteful, cost ineffective, demoralized and patronage ridden program this Liberal government has ever foisted upon the public service, the national capital and the public of Canada.

The Clark government reviewed all decentralization programs of the former Liberal government in the summer of 1979 in the context of expanded priority to restrain government spending as well as to eliminate the negative effect on the delivery of government services. The decision not to proceed at that time in 19 cases effected a savings of at least $200 million, with extended costs of $250 million at that time, and the revitalization of this program means now a cost to the treasury in excess of $300 million, if this proceeds.

This is the extent of the program the minister has indicated is being revitalized: the Farm Credit Corporation headquarters to Camrose; the Department of National Health and Welfare, Bureau of Dangerous Drugs, to North Bay; the Department of National Health and Welfare, a lab to Kamloops, British Columbia; the Department of National Health and Welfare, medical services, Ontario Regional Office, to Thunder Bay, and Statistics Canada, Ontario Regional Office, to North Bay. The list continues: the Department of Energy, Mines and Resources, a subdivision, to Thunder Bay; Canada Employment and Immigration Commission, employer registration division —wage loss insurance—, to Bathurst, New Brunswick; the Department of National Health and Welfare and Department of Supply and Services, income security offices and support services from Halifax, to Sydney, and from Toronto to Peterboro, Chatham and Timmins; the Post Office, philatelic services, we already know about; External Affairs, passport mail service, to Sydney; Revenue Canada Taxation Centre for Career Development, to Rigaud, Quebec; Revenue Canada Taxation Data Centre, to Jonquière; the Department of Energy, Mines and Services, Survey, mapping branch, to Sherbrooke, Quebec; the Department of Communications, telecommunications regulatory service, to Quebec City; the Canada Pension Plan, claims and benefits, Ontario Region, to Toronto; and the Department of Environment, Hydrology Research Institute, to Saskatoon, Saskatchewan. That is the extent of the program being revitalized and to be announced from time to time as it suits the political convenience of the ministers.

Some 3,200 employees in the national capital region will be affected by the piecemeal revitalization of those plans. This was unaffordable and unwise in 1979, and it is even more unaffordable and unwise to proceed, or even to contemplate proceeding in this way at this time. Aside from the resources I have mentioned, the waste in human terms, the upset in terms of the public servants and their families in regard to this matter is something that is beyond measure.

Certainly if there is to be decentralization, the criterion must be the effective delivery of the services of the Government of Canada. None of those that have been announced and none of those contained in a revitalized decentralization program meet this criterion, and that is the sad case. Of course, with respect to this government, efficiency and effective delivery of service is not the criterion. The criterion is good, old-fashioned patronage; a building here, an extended runway there, and the public interest be damned. That characterized the program at the beginning, and that will characterize the program as it now proceeds.

• (2205)

Frankly, I want the minister to cancel this stupidity and put the money and the effort that will be wasted on this program where it will help certain people in the economy; home owners, small business people and farmers, who are the victims of this kind of extravagance and the high interest rate policy of the government.

I see the parliamentary secretary in the House tonight. I ask him to deny that any of those matters are going forward and I ask him to state categorically, on behalf of the government, that once and for all that decentralization program is ended.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the subject of organizational decentralization has received much attention in recent days, so I think it is appropriate at this time to review the government's position on this matter. As you know, decentralization has been part of this government's administrative approach for several years. It began in 1975 when the task force on decentralization was established, led by the Treasury Board secretariat. Its purpose was to develop a relocation program within the following framework. First, the location of any government unit must be consistent with an acceptable level of efficiency and effectiveness. Second, within the flexibility afforded by this principle, locations should be determined in terms of such objectives as regional development, urban development, controlled growth in the National Capital Region, and of considerations related to national unity.

As a result of this study, part of a relocation program was developed between May, 1975, and October, 1977. It consisted of nine projects, including the move of the headquarters of the Department of Veterans Affairs to Charlottetown, which is still in progress.

A second announcement in October, 1977, included 15 projects involving 12 departments and agencies, plus an important decentralization of the income security program offices of Health and Welfare Canada in nine provinces. The stated objectives then were: first, to move the administration of federal government programs closer to the people directly affected by them; second, to assist areas of slow economic development and high unemployment; third, to increase the presence of the federal government in communities where it had been low and where activities of a national character could contribute to national unity; and fourth, to lessen the proportion of federal employees in the National Capital Region vis-a-vis the rest of Canada.

It was then understood, Mr. Speaker, that if, in due course, there were to be other worthwhile decentralization projects, they would emerge from the normal annual planning process of the departments and agencies of the federal government. In effect, the responsibility for meeting the thrust of the policy has now been placed on departments and agencies, with emphasis placed on new programs which would have no impact on the National Capital Region. In other words, departments are required to review their geographic distribution at least annually. When changes of any kind are identified or when new units must be established, various alternative locations must be examined in relation to the efficiency and effectiveness of program delivery and protection of employee rights in areas such as official languages.

This examination of location options will permit the government to bring appropriate considerations to bear on the location of government units. These considerations will obviously include regional economic factors and other matters on which the choice of location can have beneficial results.

Regarding existing decentralization commitments, the government has had to consider how they can be met. Mr. Speaker, we have recognized that the substantial benefits to be obtained are not free but entail additional costs, for removal expenses and new buildings, for example, plus some disruption of programs and, most important, of the people involved.

Mr. Speaker, this government has been very much aware—

The Acting Speaker (Mr. Blaker): Order, please. I now have to recognize the hon. member for Winnipeg-Assiniboine.

Mr. Baker (Nepean-Carleton): That is hardly an answer.

INDUSTRY—LOCATION OF AEROSPACE TRAINING CENTRE INSTITUTE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on October 16 of this year I directed a question to the Minister of Employment and Immigration with regard to the establishment of an aerospace training centre in Winnipeg. Earlier this year the minister had appointed a 12-member advisory group under retired General A. MacKenzie. This group recommended that the aerospace training centre be established in Winnipeg. I did not receive a satisfactory answer from the minister when I directed my question to him. He just gave me some evasive answer that there was lots of work for everyone. I asked him to give a commitment that the aerospace training centre would be located in Winnipeg. I find it very strange that the minister is not here tonight to answer this question because of the importance it has for Winnipeg and western Canada.

• (2210)

We were disturbed to hear recently that the Quebec caucus of the Liberal party and its chairman have stated that the aerospace training centre will either be in Montreal or will not be built at all. Apparently this was also a Liberal caucus resolution. They have completely overruled the minister's recommendation that the aerospace training centre be located in Winnipeg. I understand that all 74 members of the Quebec caucus and 14 cabinet ministers have stated that the centre will be in Quebec. I find this very strange as the cabinet is to make the final decision. However, the decision has apparently been made at a Liberal caucus meeting that the aerospace training centre will be in Quebec, and the advisory group's recommendation that it go to Winnipeg will be completely ignored.

If the Quebec caucus has given the minister an ultimatum that they are going to ignore him, he has no alternative but to put his resignation on the desk of the Prime Minister (Mr. Trudeau). He should state that if it is not to be built in Winnipeg, he will resign. I hope he is man enough to do that. Otherwise he is nothing but a mere figurehead in the Liberal cabinet.

The advisory group made some excellent recommendations as to why the aerospace training centre should go to Winnipeg. They stated that, by virtue of its location in Winnipeg, the institute could undertake basic training courses to address the needs of the aerospace industry. They further stated that Manitoba is the location of the third largest segment of the Canadian aerospace industry and has a diversity of activity which would benefit from manufacturing-related training courses within the institute. The minister has stated that Winnipeg is the cradle of aviation. He should back up his words with actions.

Winnipeg was chosen because no aerospace centre exists in Manitoba or Saskatchewan. Winnipeg is still most unhappy with the Liberal's removal in 1969 of the Air Canada over-all facility. To deprive that city further of a modest share of air space growth will be more fuel for western alienation.

Winnipeg deserves the training centre since Quebec already has 50 per cent of the aerospace industry in Canada. It has a 48 per cent commitment of the NFA fighter aircraft spin-off. The province of Quebec has received millions upon millions in defence contracts.

Canadair and other industries have untold millions poured into their business in the province of Quebec. This is nothing but 100 per cent pure greed on the part of the Liberal caucus which is never satisfied with what it receives. They are still fighting to have the NFA contracts opened up again so that they can get more than 48 per cent.

The advisory group recommended that the startup phase of the centre commence immediately. I was hoping the minister would be here this evening to give a firm commitment to Winnipeg and the west that this aerospace training centre will be built in Winnipeg. I hope he will be man enough to lay his cabinet post on the line if he is overruled by the Liberal caucus and cabinet.

The Winnipeg chamber of commerce has shown a great interest in having this aerospace centre established in Winnipeg. They are distressed about the public disagreement over the Canadian Institute of Aerospace Training and Technology. In a letter to the Prime Minister they stated:

> We are sorry to hear that your cabinet minister, the hon. Lloyd Axworthy, and your Quebec MPs choose to disagree over the location of the institute.

● (2215)

They also stated: "Quebec has aerospace training schools and Winnipeg has not". We read regularly in the newspapers that new federal government projects are starting up in Quebec. It now appears that when any project is not located in Quebec, there is a hue and cry that an injustice has been done. Canada should not be a funnel to locate almost all federal projects in Quebec.

The chamber went on to say:

> I request that you and the cabinet impartially review the objectives and recommendations of the report, and come to the logical conclusion of the committee which studied the problem in great detail.

In closing, they said:

> I have taken the liberty of sending copies of this letter to some concerned Members of Parliament, as well as to the media.

I hope I was wrong when I said tonight that the decision has already been made that the institute is moving to Montreal and not to Winnipeg. I hope the parliamentary secretary can state tonight that a final decision has not been made and there is still a chance that this institute can be located in Winnipeg, as was advised by the minister's own advisory group.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as pointed out by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—I believe he has clearly demonstrated his interest in advanced technology in the aerospace industry—and in the House as well, we have found that many members are interested in this new technology and in the training aspect which is also very important to Canada. Mr. Speaker, I should like to elaborate on the minister's reply in the House last week. I wish to point out that it is a matter of concern to the minister that all expanding industrial sectors in the country should have an adequate supply of skilled workers commensurate with their needs, and that the minister is examining a number of proposals aimed at increasing the number of skilled Canadian workers in all industrial and developing sectors throughout the country.

Regarding the aerospace industry in particular, a subject that my hon. colleague has just addressed, an advisory group consisting of employer and union representatives has recommended establishing a national aerospace institute whose responsibilities would include:

(1) providing leadership to the Canadian aerospace industry by keeping it abreast of advanced technology, offering training programs and proceeding with a manpower planning program;

(2) to co-ordinate present efforts being made by public authorities, the private sector and community colleges;

(3) to provide information commensurate with the needs of regional industry.

The institute's intended role with respect to manpower co-ordination and planning will be of considerable help to the aerospace industry in planning and co-ordinating the industry's training activities aimed at acquiring sufficient numbers of skilled Canadian workers.

A few months ago, the minister and the Canadian Association of Aerospace Industries concluded an agreement on human resources with a view to finding a solution to the

projected manpower shortages in the industry's manufacturing sector. Under the agreement, the commission and the association will co-operate on various manpower aspects such as planning, training and affirmative action and also on carrying out programs.

The projected institute is only one of many recommendations made by the industry with a view to relieving manpower shortages, and the minister is expected to submit recommendations to the cabinet in this regard.

[*English*]

WILDLIFE—EXPORT OF FALCONS TO MIDDLE EAST

Mr. Jim Fulton (Skeena): My question tonight arises from a question I put to the Prime Minister (Mr. Trudeau) on October 20. It is reported at page 11,968 of *Hansard*. My first questions was:

Has the Prime Minister at any time asked his staff to arrange for the export of either peregrines or gyrfalcons to the Middle East?

The answer, Mr. Speaker, is clearly yes, although you will note that the Prime Minister said, as reported on that page of *Hansard*, "no". I am hopeful that tonight I will receive some clarification, because I am confident that the Prime Minister would not want to mislead the House on that point.

● (2220)

When I named Mr. Jim MacDonald, who was a member of the staff of the Prime Minister, I made it very clear that he was "recently of his personal staff". The Prime Minister came back with the following very quick comment:

It seems to me that the hon. member is making at least two mistakes. First, Jim MacDonald is not in my office.

I never intended the Prime Minister to understand that he was. Anyone who checks *Hansard* will see that that is not what I said. It is at least a strange coincidence that of 24-odd million Canadians the Prime Minister's previous head of communications is involved in what I have described as the "gyrfalcon wildlife scandal."

An interesting thing occurred approximately ten days ago. I had a conversation with Mr. MacDonald, and approximately two days later he came up with a completely different story. At the same time I had conversations with a number of reporters. Certainly he demonstrated how well-heeled he is in the art of media manipulation and of shading the truth. I said in my question that it was a wildlife scandal. Of course it is. There is absolutely no baseline population information available on gyrfalcons in the north.

I should like to quote from two well-known Canadian sources. First, the co-ordinator of wildlife research for Canada with Environment Canada, Mr. Nick Novakowski, who said:

it was a political decision made by the territories. We're not happy about it, but the gyr is not yet on the endangered species list and thus does not have federal protection.

He went on to say:

The problem is, however, that we do not know how many there are in the north.

Another person who should know a great deal about this subject is Mr. Ron Gaf, a wildlife service officer with the Northwest Territories government. It is reported:

Ron Gaf, a territories biologist who accompanied the Inuit, said little is known about the gyr population.

Mr. Gaf went on to say:

The only numbers we have are sightings by wildlife service officers monitoring peregrines.

As if that was not serious enough, let me return to Mr. MacDonald for a moment. Obviously he was a key player in this affair. I should like to demonstrate how the media has been manipulated in this situation. As reported in *The Globe and Mail* on October 21 in an article by Charlotte Montgomery entitled, "Former PM Aide Denies Role in Gyrfalcon Affair," Mr. MacDonald said that he assisted the Inuit organization with an export proposal which resulted in 50 trapping and 50 export permits being issued to the Inuit by the territorial government. The article continued:

He said he then helped to pre-sell 50 birds to Middle East buyers.

It went on to include a direct quote of Mr. MacDonald:

I really just put together the project.

From where did the headline come? The entire article is about his involvement, that he set up the project, that he made the sales to the Middle East, and he admits putting the whole thing together. But the headline indicated that he was not involved. I find this kind of reporting to be a very serious concern. It is a completely erroneous headline for a newspaper to carry about a very serious environmental issue.

This is where we really get to know something about this fellow, Jim MacDonald. As reported in the same article, he said:

—gyrfalcons are a very common bird—

I have given quotations of Mr. Novakowski, the co-ordinator of wildlife research for Environment Canada, and of a biologist in the Northwest Territories, but here we have a guy who was in communications in the office of the Prime Minister saying that it was a very common bird. In my view it demonstrates the kind of unscientific and really dishonest attitude which has seriously tainted the issue.

Mr. MacDonald went on to indicate that the birds were worth from $5,000 to $12,000 apiece. This has been disputed by every legitimate falconer with whom I have spoken, and many other sources. In fact, Hugh Monaghan, a Northwest Territories wildlife services officer said that for each bird taken under those permits, $5,000 would go to the government of the Northwest Territories. Mr. MacDonald is saying that some of these birds are caught in the Arctic and are brought down for sale, and that all the money is going to the Northwest Territories government. What about the Inuit? Are they to get nothing? As a matter of fact, the vice-president of the Canadian Wildlife Federation indicated publicly that perhaps those birds are worth $50,000 or more each.

● (2225)

It goes on and on. Not only have reporters and the Northwest Territories wildlife service director Kuwaitis implied that there are no Kuwaitis in Canada, they have not taken the time, as I have, to check into this. Perhaps these reporters who have run so quickly with their pens to write things about this story should contact David Miller of the *Toronto Star* who, on October 11, pointed out that Nick Novakowski of the Canadian wildlife service said that Kuwaitis have been in the Northwest Territories for a month working with the Inuit, ever since the territorial government issued 50 permits to trap falcons.

That is not just one source, Mr. Speaker. I refer those same reporters to the Montreal *Gazette* of Tuesday, October 13, which confirmed precisely the same information.

If members on the government side do not believe that Kuwaitis are involved in this hunt, perhaps Mr. MacDonald or the Inuit association should get in touch with the Minister of the Environment (Mr. Roberts). Mr. Novakowski is an employee of the federal government. He is on the public record as indicating that Kuwaitis are involved. I would encourage members opposite to ask the Minister of the Environment to rise in this House and say that Mr. Novakowski's statement is not correct.

It seems clear, Mr. Speaker, that there is, first, a totally inadequate population information base on the gyrfalcon, not only in the Northwest Territories but in Canada as a whole, and the export of birds at this time is scientifically unsound and is a biological travesty for Canada and, second, connections between the gyr export and Prime Minister's office needs some very serious clarification. The Prime Minister's answer to my question on October 20 was really quite unrevealing and perhaps was misleading. I am sure he would not want that left on the record. The Prime Minister indicated that he would inquire into this whole situation, that is, the involvement of Mr. MacDonald in the permit and export of these gyrfalcon. This is an important question and I hope the response that I receive tonight will be something that I can give to all the organizations that have been in touch with me and to the reporters who have raised questions about the information I used.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member for Skeena has indicated that he is not satisfied with the response to his questions in the House the other day.

In helping him understand the issue he has raised, perhaps a little history would be useful. The Government of Canada is a signatory to the 1973 Convention on International Trade in Endangered Species. By that convention, certain species, which are declared by countries to be endangered, are listed in Appendix I and may not be traded in international commerce.

For a number of years, all falcons were listed in Appendix I. However, last March, at the general meeting of the parties in New Delhi, India, the parties agreed that the North American populations of the gyrfalcon would be downgraded to Appendix II, which permits their movement in commerce under the appropriate permits, of course, and provided the birds were banded in an approved fashion. Changes in the regulations of the Import and Export Permits Act have now been developed which will allow the commercial export from Canada of gyrfalcons taken legally from the wild or bred in captivity.

Now, moving closer to the heart of the matter, an Inuit Association headquartered in Cambridge Bay, approached the government of the Northwest Territories with a plan to trap gyrfalcons in the central Arctic. The executive committee of the NWT approved the capture of a maximum of 50 gyrfalcons in what was to have been an experimental harvest.

The idea behind the trapping and export of gyrfalcons was to generate revenue for both the Inuit Association and for the government of the Northwest Territories to permit further study of gyrfalcon populations in the Northwest Territories. I am sure the hon. member opposite would agree that that is a reasonable and desirable goal. The executive committee of the Northwest Territories, in a responsible way, imposed the following conditions on the harvest: first, there had to be a confirmed order for each of the falcons taken; second, only young-of-the-year birds were to be trapped; third, falconers retained by the Inuit association to assist in the harvest were to be approved by the chief of the Northwest Territories wildlife service and the trapping operation was to be monitored by the Northwest Territories wildlife service officers; fourth, all birds trapped were to be banded in an approved fashion and held individually in a temporary housing facility until their movement from the Northwest Territories was arranged; fifth, four Inuit men were to be trained in the trapping and handling of falcons and four Inuit women were to be hired to care for the birds at the temporary housing facility; sixth, the Inuit association would be charged an export permit fee of $5,000 per bird captured; and seventh, export from Canada would not be permitted until the appropriate regulations under the Import and Export Permits Act were properly in place.

The trapping was to have taken place during the first ten days of October. Participating in the trapping operations were Inuit from the Inuit association—

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

Mr. Kelly: —and two professional falconers from British Columbia supervised officials of the Northwest Territories wildlife service.

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

Mr. Kelly: No falconers from Kuwait were present—

The Acting Speaker (Mr. Blaker): Order, please. It is regrettable that the Chair has to cut off the hon. member in this fashion but that is the way the Standing Orders read and that is the way they have to be applied at this hour of the night. Perhaps I can indicate for the record that departments

that go to the trouble of preparing answers should realize that if the hon. parliamentary secretary does not have enough time to make the answer then it is Canadians who suffer. It is someone's responsibility to see that the information is put into three minutes.

Adjournment Debate

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, October 28, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

CALL FOR MORATORIUM ON FARM FORECLOSURES—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, Canadian farming is dependent upon credit, but government policies of high interest rates, combined with its refusal to increase the budget of the Farm Credit Corporation and to extend the small business development bond to unincorporated farmers, have contributed to a 147 per cent increase in farm bankruptcies since 1979. I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That this House instruct the Minister of Finance to declare a national moratorium on all farm bankruptcies, foreclosures and forced sales pending the budget, to add at least $500 million to the Farm Credit Corporation to refinance existing loans, and to extend the small business development bond to unincorporated farmers in the upcoming budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

COMPILATION OF STATISTICS ON CATTLE EXPORTS—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, a good proportion of live cattle exported to the United States from southwestern Alberta clear the border at Kingsgate, British Columbia. In compiling statistics Agriculture Canada considers the border point of exit as the province of origin of these cattle, thus counting these Alberta cattle as coming from British Columbia. Therefore I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the Minister of Agriculture instruct his officials to correct this situation in order that the beef industry can have accurate statistics.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

DEMAND FOR ACTION TO ASSIST CATTLE PRODUCERS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, we are in real danger of losing our vitally important beef industry due to high interest rates and high production costs. The cries of cattle producers for real assistance from the government have so far gone unheeded. Therefore I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the Minister of Agriculture immediately address himself to the problems facing our cattlemen with something more than the tired old words we are sick of hearing.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

GUATEMALA—INTER-AMERICAN BANK LOAN—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Inter-American Development Bank will soon be considering and voting on a $20 million loan to Guatemala. As a member of the bank Canada is able to vote on the loan. In Guatemala in recent months there has been a serious increase in terror affecting the Guatemalan population, as well as Canadian church and embassy people. In view of this fact I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That the Minister of Finance instruct our representatives at the Inter-American Development Bank to vote against the granting of the proposed $20 million loan to Guatemala.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

NATIONAL ENERGY PROGRAM

OPPORTUNITIES FOR CANADIANS—MOTION UNDER S.O. 43

Mr. Jim Schroder (Guelph): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the fact that today is the first birthday of Canada's National Energy Program and therefore an appropriate occasion to acknowledge the many new opportunities for Canadians to participate in the vital and expanding energy sector, I move, seconded by the hon. member for London West (Mr. Burghardt):

That this House applaudes the foresight of aggressive Canadian entrepreneurs and the efforts of the Minister of Energy, Mines and Resources, which have reduced foreign ownership of Canada's petroleum industry by 10 per cent in the last year alone.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN ARMED FORCES

EXPRESSION OF GRATITUDE—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I speak as a member of the subcommittee studying the Armed Forces reserves. In view of their distinction in protecting Canadians in two world wars and in the Korean conflict, and as Remembrance Day approaches, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That the Prime Minister and his government extend, on behalf of all members of the House, an expression of gratitude and assurances of increased moral and tangible support to the Canadian Armed Forces, regular and reserves, in their ongoing role in defence of the Canadian way of life.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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GARRISON DIVERSION

PROTEST AGAINST AMERICAN ACTION—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, last Thursday the powerful Senate Appropriations Committee in Washington approved another $4 million for the controversial Garrison Dam project in North Dakota and voted to remove the court injunction against the project filed by the American Audubon Society. Officials at the Canadian embassy have stated that "assurances that these changes will not affect Canada are meaningless." The premier and the minister of natural resources of the Manitoba government have sent strong messages of protest to Washington in response to this action. In light of these developments I move, seconded by the hon. member for Lisgar (Mr. Murta):

• (1410)

That the Prime Minister and the Minister of the Environment, along with the Secretary of State for External Affairs, particularly in view of the statement from the Canadian embassy that assurances that Canadian waters will not be polluted are meaningless, join with the Manitoba government leaders in personally protesting the action before it comes before the full Senate.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

PROPOSED INCREASE IN POSTAL RATES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, because a near 100 per cent postal rate increase proposed for January 1 will not only contribute to our growing inflation rate but will also adversely affect the small business sector, jeopardize the viability of direct mail service, and cause hardship to the many Canadians who are already overtaxed, as this petition I hold will verify, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House instruct the minister responsible for the Canada Post Corporation to take immediate steps to have the unacceptable and inflationary proposed rate increase reduced to a realistic level and, at the same time, take all necessary action to correct inefficient postal operations which have resulted in regular, record, deficits within the Post Office.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NUCLEAR ENERGY

HEAVY WATER SPILL IN PORT ELGIN, ONT.—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. The 600-gallon heavy water spill at the Bruce nuclear plant in Port Elgin from August 29 to September 5 contained almost three times as much radioactive poison as the U.S. Atomic Regulator Commission tried to dump into the Susquahanna River following the Three Mile Island accident. The dangers to the public have been downplayed by the Atomic Energy Control Board of Canada. The excuse is that the spill has been within so-called legal limits.

Because this radioactive spill contained large amounts of tritium, a substance so toxic that some scientists believe it can cause birth defects, and because it is a substance for which there are no proven safety levels for emissions, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Energy, Mines and Resources immediately instruct the Atomic Energy Control Board to conduct a complete review of all their general radiation emission standards to protect the health of this and future generations of Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

REDUCTION IN GOVERNMENT DEFICIT—MOTION UNDER S.O. 43

Mr. Ralph Ferguson (Lambton-Middlesex): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Figures released yesterday by the Minister of Finance (Mr. MacEachen) indicate that the government's operating deficit is down nearly $1 billion. I move, seconded by the hon. member for Scarborough Centre (Mr. Kelly):

That this House recognize and applaud the minister for his efforts in putting Canada on a firm economic base.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ENERGY PROGRAM

EFFECT ON PETROLEUM PRODUCERS—MOTION UNDER S.O. 43

Mr. Scott Fennell (Ontario): Madam Speaker, today celebrates the anniversary of the ill-conceived National Energy Program. Since the price of gas and fuel oil has risen by 30 per cent in one year on account of federal and provincial sales taxes and increases at the wellhead, the majority of which goes to federal and provincial governments, and as the National Energy Program has forced Canadian petroleum producers physically and financially to leave Canada, resulting in a failure to ensure oil self-sufficiency for Canadians, I move, seconded by the hon. member for Calgary Centre (Mr. Andre) that:

The Minister of Finance provide in his upcoming budget for an energy tax credit and return to the drawing board to rewrite the National Energy Program in order to encourage Canadian petroleum producers to return to Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

SURVEY CONDUCTED BY CANADA WEST FOUNDATION—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Minister of Justice be severely castigated for abusing the truth and thereby misleading Canadians when he stated that a survey taken by Canada West Foundation supported the government position on the Constitution when, in actual fact, 90 per cent of those surveyed were in opposition to having Canada's Constitution amended in the U.K. by the British Parliament.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

QUERY RESPECTING LEGALITY OF ORDER IN COUNCIL CANCELLING PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. Yesterday the minister undertook to attend immediately to the question of the illegality of the government's order in council which proposes to eliminate one fifth of Canada's rail passenger service. This arose out of an opinion expressed by Mr. J. C. Eglington, the counsel for the Joint Committee on Regulations and Other Statutory Instruments.

The minister also undertook to respond to the suggestion advanced by the Right Hon. Leader of the Opposition to the effect that he recommended that the implementation date of November 15 be deferred until such time as this matter be referred to the appropriate court for thorough clarification.

• (1415)

Can the minister now advise the House of the results of his action, and can he also advise the House what he proposes to do?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker. In this instance the Leader of the Opposition, the Minister of Transport, and the hon. member for

Vegreville are just reflecting the views of distinguished legal minds on the subject. There is a debate among lawyers regarding not only the particular recent order in council on VIA, but all orders in council passed under Section 64 of the National Transportation Act. Some of them say that these must be registered, and others say they do not. There is a debate on the subject. My lawyers, and I have a number of them—

Some hon. Members: Oh, oh!

Mr. Crosbie: You'll need them!

Mr. Pepin: —say that these orders in council do not need to be registered. They quote a number of precedents to that effect. However, they are looking into this very interesting discussion in greater depth.

Should there be a doubt about the matter, and this is the important part of my answer, we will pass a new order in council and will have it registered. The important thing is that such a decision, such a move on our part, would not change the substance or the date of implementation of the decision made in the order in council.

Mr. Clark: Shame!

Mr. Baker (Nepean-Carleton): Shame!

* * *

RAILWAYS

OBLIGATION TO PROVIDE PASSENGER SERVICE

Hon. Don Mazankowski (Vegreville): That is a most contemptuous and arrogant response, because there is clearly doubt in the minds of the vast majority of Canadians about the minister's action, and I think that that should be taken into account, as well.

I would like to ask the minister whether he is aware of the fact that under existing CTC order R26-520 and R-6751, and pursuant to Sections 260, 261 and 262 of the Railway Act, the railways, namely, the CN and CP, have a continuing obligation to provide rail passenger service, notwithstanding the creation of VIA Rail and notwithstanding its withdrawal of the service as contemplated by the minister in his order. Is he further aware of the fact that the Canadian Railway Labour Association will be making an application to the CTC to order the CN and the CP to restore passenger service on those lines which VIA will vacate should the minister's decision go through?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, because I suspected that the question would be raised, I asked my lawyers to look into precedents. I may soon be in a position to demonstrate that my hon. friend made a decision similar to the one we are talking about now. We will know more about that later on today. The only thing I know, and I will presumably be talking about that tomorrow in front of the committee on regulations, is that Section 64(1) of the National Transportation Act is very clear. It has been interpreted by the courts on a number of occasions. The courts have said repeatedly—and I will quote that, chapter and verse, tomorrow—that there is no restriction on the rights of the government to vary or rescind orders passed by the Canadian Transportation Commission.

I did not have all morning to talk about the debate with my lawyers but, as I understood it, the debate concerns what the major consideration should be. In other words, is it the document being amended, or rescinded which conditions the registration, or is it the instrument that commands the change?

Mr. Nielsen: That's like Gilles Lamontagne—up and down, up and down.

Mr. Pepin: Some of the hon. members on the other side have degrees in law; so do I.

• (1420)

The changes that were made were made to orders of the CTC, and consequently they were not changes to regulations of the CTC. Because they were changes to orders they do not have to be registered.

APPLICATION TO COMMISSION TO RESTORE SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, the minister, either accidentally or deliberately, chose to ignore the question I asked, which had to do with the ongoing statutory responsibilities of the railroads, namely, CN and CP. Notwithstanding the minister's actions under Section 64, there are overriding CTC orders, namely R26-520 and R-6751, and pursuant to Sections 260, 261 and 262 of the Railway Act the railways are compelled to provide a passenger service. Is the minister aware of that? Is he also aware that an application will be made to the CTC to force the CN and CP to restore services on those lines which VIA will vacate?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only answer the question the way I did, which was to state emphatically that under Section 64(1) of the National Transportation Act the Canadian government, by order in council, can rescind or vary any order that the Canadian Transportation Commission has passed. That is what the debate is all about.

Mr. Mazankowski: You didn't rescind the other orders. Those two orders are still in existance.

Mr. Baker (Nepean-Carleton): Resign.

Some hon. Members: Oh, oh!

TRANSPORT

CONVENING OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the hon. member for Northumberland-Miramichi, who is the chairman of the Standing Committee on Transport. I am directing my question to him, which I can under the rules, to try to circumvent the executive atmosphere we have and the arbitrary order in council that puts us in this quandary whereby hon. members do not have an opportunity to discuss and debate, and to try to find out the reason and the explanation for the costing order.

Can the Chairman of the Standing Committee on Transport inform The House on the status of convening the transport committee as of tomorrow and all next week, even in view of this November 15 deadline, so that all members on all sides of the House can examine the presidents of the two railways and the president of VIA Rail, and so that competent officials from the CTC can attend to explain the costing order and how it compares with the Amtrak order and the costing order of European Rail, which has 11 different railways feeding into it—

Madam Speaker: Order, please. I would like to have a question, and I would like it to be as brief as possible.

Mr. Nowlan: Madam Speaker, can the chairman inform this House on the status of earlier discussions to convene the committee? Does the hon. member not think it would be a positive step to widen the terms of reference of the committee to include the Atlantic coast and British Columbia, rather than having only Ontario and Quebec?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, members have already had an opportunity to discuss the matter at least twice. The first time was on an opposition day, when the first motion was introduced by the opposition; the last or second time was last Monday, during the debate on a motion for concurrence in a committee report. Members opposite have four opposition days left to discuss the matter again, if they wish. In addition, the Minister of Transport has announced that he was available to appear before another committee in order to provide clarification.

So there have been and there will be plenty of opportunities to discuss this matter, thanks to the flexible attitude of the Minister of Transport and the government. The hon. member's request is therefore unnecessary.

[*English*]

PARTICIPATION BY MEMBERS IN CONSIDERATION OF DECISION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question was directed to the Chairman of the Standing Committee on Transport. It did not involve the government House leader, who undoubtedly has torpedoed the recommendation that the Chair—

Madam Speaker: Order, please. The President of the Privy Council is authorized to answer questions if he so chooses on questions of that nature.

Some hon. Members: No.

Mr. Andre: Nonsense.

Mr. Nowlan: Could either the Chairman of the Standing Committee or the President of the Privy Council please explain to this House, under this red herring of four more allotted days, that unless the standing committee meets tomorrow and all of next week, the four allotted days, cannot be used until after November 15 thereby eliminating any participation by members on all sides on this very arbitrary decision?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in fact it was my intention to designate next Monday as an opposition day and I wanted to discuss this with my fellow House leaders later this afternoon.

In the circumstances, before November 15 there will be at least one more opportunity for debate. In all probability, next Monday will be an opposition day.

* * *

● (1425)

[*English*]

THE ECONOMY

SPEECH MADE BY DEPUTY GOVERNOR OF BANK OF CANADA

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. Yesterday the Conference Board pointed out that consumer confidence in the Canadian economy is at a 20-year low directly attributable to a high interest rate policy. Yesterday the Minister of Agriculture complained about the banks' high interest rates, yet yesterday in London a deputy governor of the Bank of Canada said high interest rates are going to remain in Canada. My question to the minister is straightforward. Will he now guarantee us a low interest rate policy, and will he tell us who is running Canada, the Government of Canada or the Bank of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member realizes as well as I do that the way to get interest rates down in this country is to get the rate of inflation down. The hon. member and I could have a number of debates about the variation in interest rates between Canada and the United States, or on how much savers ought to receive for their savings in the form of interest payments, presumably some amount above the rate of inflation. We can have our debate on that and we can have differences of opinion, but I hope my

hon. friend and I agree that the surest and most fundamental way of getting interest rates down is to take every possible step to get the rate of inflation down, a rate which is high and rising, and which can only be the way of providing the guarantee that the hon. member sincerely asks for today. That is my answer to his request for a guarantee.

REQUEST THAT BANKS BE DIRECTED TO REDUCE INTEREST RATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, it is clear every day that the only way to get interest rates down in Canada is to change the Government of Canada.

Some hon. Members: Hear, hear!

An hon. Member: Where were you when we were voting?

Some hon. Members: Oh, oh!

Madam Speaker: Order, order.

Mr. Broadbent: Madam Speaker, we don't want the Tories, who increased interest rates five times when they were in office.

Some hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, at least the deputy governor of the Bank of Canada acknowledged in the same speech that the continuation of high interest rates would mean that Canadians would continue to suffer, more homes would be lost, more businesses would go out of business, and farmers would suffer. If those are the results of high interest rates, and they are indeed the results, why does the government not assume its responsibility and direct the banks to bring down the interest rates?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows perfectly well, and surely he has not been the first to think about a simple solution like that, as if everybody is going around groping for a way to battle inflation, that there is a very easy way, and that is just to direct the governor of the bank to reduce interest rates.

Mr. Crosbie: That's what you told us.

Mr. MacEachen: That is the simplistic solution proposed by the hon. member. He knows perfectly well that the net effect of that proposal, whatever its effects in the short term, would be increased inflation and subsequently even higher interest rates. That is the result of his policy. He says the only way to get interest rates down is to change the government. I know one way to get interest rates even higher than they are today, and that would be to follow the economic advice of the hon. member.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, even the minister should know that that is nonsense. I will come to my last question.

Some hon. Members: Hear, hear!

PLEA FOR BUDGETARY TAX CUTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I see the minister smiling and I am sure he is smiling about the benefits that are accruing to some people because of high interest rates. He knows full well that not everyone is suffering from high interest rates. Indeed, wealthy investors are doing quite well.

• (1430)

Considering that the standard of living in the average home in Canada has gone down for three years in a row, will the minister at least offer a tax cut in the coming budget for the ordinary Canadian, and make those 160 Canadians who earn more than $200,000 a year without paying one penny in income tax, pay at least their fair share of taxes?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows it is not possible for me to tell him what will be in the budget. Having said that, I wonder, if I said yes to the hon. member's question, would he then support the budget I introduced.

An hon. Member: We will see the budget first.

* * *

TRANSPORT

COMMITTEE CONSIDERATION OF DECISION AFFECTING VIA RAIL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question was for the hon. member for Northumberland-Miramichi who just left the House. I see one of his colleagues has gone to get him. I would welcome his return to the House so he can speak for himself rather than be gagged by the government House leader.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for St. John's West.

Some hon. Members: Here he is! He's come back! Hooray!

Madam Speaker: Order, please. I can see we are off to another wonderful Wednesday.

Some hon. Members: Oh, oh!

Madam Speaker: The Hon. Leader of the Opposition.

Mr. Clark: I thank the hon. member for Northumberland-Miramichi for returning to his responsibility.

Some hon. Members: Oh, oh!

Mr. Clark: I direct my question to him as chairman of the Standing Committee on Transport. Will the chairman of that committee tell us whether he has asked for a reference of the VIA Rail question to the standing committee, and whether he has asked for authority to call officials of the railways, VIA Rail or of the Canadian Transport Commission, or any other group who might be able to help the House of Commons come to the truth about the VIA Rail decision? Has he sought that reference?

And Mr. Dionne (Northumberland-Miramichi) and Mr. Pinard having risen:

Some hon. Members: Oh, oh!

Some hon. Members: Sit down, Pinard.

Madam Speaker: Order.

An hon. Member: Now we know who runs the committees.

An hon. Member: Show some courage. You can let the man speak.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, as I said earlier, this question has already been asked. We made it quite clear that although the suggestion seemed to have some merit, we had to consider the fact that this matter had already been debated at least twice. Members will recall that starting with the first designated day, it was the subject of a motion introduced by the opposition, which even led to a vote of non-confidence in the government. The matter was debated all day, followed by a vote in the House, and subsequently we had a surprise motion for concurrence in a committee report on the subject. This matter was debated for a whole day, on Monday this week, on government time, and now, as I said before, there are still four opposition days before December 10, so that if the opposition wants to discuss the question again, we shall have no choice but to reopen the debate.

However, Madam Speaker, the question asked by the opposition leader could not be answered otherwise, because even if the committee did have the reference order, in the final instance this can lead to debate in the House and could therefore upset the government's priorities.

[*English*]

POSITION OF COMMITTEE CHAIRMAN

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, there is a very real question affecting the basic rules of this House of Commons and the propriety of conduct here as to whether a minister of the Crown can force an elected chairman of a standing committee of this House of Commons to sink to his knees and seek safety in his seat.

Some hon. Members: Hear, hear!

Mr. Clark: We will pursue that affront to democracy later.

I would like to ask the member for Northumberland-Miramichi, in his capacity as chairman, does he intend to sit quietly in his seat and be gagged by the President of the Privy Council, or will he accept his responsibility and stand up and tell this House whether he has sought the reference and sought the authority I asked him about?

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): Madam Speaker—

Mr. Pinard: *Madame le Président*—

Some hon. Members: Come on, let him speak.

An hon. Member: What kind of a democracy is this?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am sure that the hon. member for Northumberland-Miramichi is now able to answer the Leader of the Opposition and tell him that he does not need his lessons in democracy.

[*English*]

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, first of all I do not sink to my knees for anyone except my God.

Some hon. Members: Hear, hear!

Mr. Nielsen: He is not here today. He will be back tomorrow.

Mr. Dionne (Northumberland-Miramichi): The answer to the right hon. gentleman's question is yes.

Some hon. Members: Hear, hear!

REASONS FOR MINISTER'S ACTIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my supplementary question is for the Minister of Transport. We have an indication that this minister, who went around the rules of the CTC—

Some hon. Members: Oh, oh!

An hon. Member: Withdraw!

Mr. Clark: —to deny the Canadian Transport Commission the right to hold its hearings on the VIA Rail procedures, has now apparently used his authority to deny a request by the

elected chairman of the Standing Committee on Transport to have this House of Commons—

Madam Speaker: Order, please. I would appreciate it if the Right Hon. Leader of the Opposition would ask his question.

Mr. Clark: My question to the Minister of Transport, who has gagged the Canadian public and is now gagging this Parliament, is this: why did the Minister of Transport refuse that reference, and what is the Minister of Transport afraid of in letting the people of Canada examine in public hearings, either under the CTC or this House of Commons, the facts on which he purports to base the disruption of 19 per cent of rail passenger service in this country?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously I cannot accept the premise which was used by the Leader of the Opposition. I did not go around the law. He must realize that the law says that the government is entitled to do what it is doing.

An hon. Member: It has never been done before.

Mr. Pepin: I caught the Leader of the Opposition flat-footed the other day because he was saying that the government was violating the law. The law is there. Did you read Section 64?

Mr. Clark: Yes.

Mr. Pepin: I did not go around the law. That is clear.

An hon. Member: How about answering the question?

Mr. Pepin: With respect to those facts pertaining to VIA, they have been debated at least since 1976.

An hon. Member: Not true.

Mr. Pepin: Mr. Lang had a reference to the CTC at that time. All these routes we are talking about now have been thoroughly investigated throughout the last three or four years. The subject is very well known. What is needed is a decision. The opposition is using every trick of the trade to prevent a decision. That is what I object to.

With respect to the reference to the Standing Committee on Transport, I have said repeatedly here in the House that I was willing to go to the committee to provide all possible information. It should be obvious to everyone here that what the opposition is trying to do is obtain a reference so that a report can be written and so that they will have another kick at the can. It is the seventh trick they are using now in order to delay.

• (1440)

Some hon. Members: Oh, oh!

Madam Speaker: Order. I can see that the only thing that will happen today is that there will be fewer questioners. I urge hon. members on both sides to be brief.

The hon. member for St. John's West, for a good start.

FISHERIES

CLOSURE OF FISH PLANTS IN NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): Madam Speaker, they have been kneecapped over there.

My question is directed to the Minister of Fisheries and Oceans. The minister will know that the Newfoundland fishing industry is in a crisis, that seven of the major fish plants in Grand Bank, Fortune, Gaultois, Ramea, Burgeo and my own district of St. John's have been closed now since the end of August and that the Lake Group, the second largest Newfoundland company, is in the hands of its bankers. Thousands of fishermen have been unemployed for some time, as have thousands of plant workers and half the trawler fleet.

The minister has said repeatedly that he has constitutional jurisdiction over the fishery. I agree that he has. In these circumstances I want to ask the minister what steps he is taking to get these fish plants reopened. What steps is he taking to get these trawlers back to sea? Has he met, or will he be meeting, with the Newfoundland minister of fisheries to develop some joint plan to resuscitate the fishing industry, which is now in dire straits, if any industry in this country is in dire straits?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I do not have jurisdiction over licensing fish plants. There are many days I wish I had because, in the last three or four years, there has been one constant repetition in many of my speeches, and that is that we must not load onto the fishery the solution to all economic problems. In its authority the province of Newfoundland chose to increase the capacity of fish processing plants by some 230 per cent. Community stages became feeder plants, feeder plants became full-fledged freezing plants. In fact, the very problem about which the hon. member complains is very much the types of mortgages which were put on the old existing plants by the expansion of the industry which occurred in Newfoundland. I regret that very much. I take no pleasure in having been shown that my warnings were right.

I deplore the fact that the hon. member is not still the minister of fisheries for Newfoundland because we worked well together to solve some problems. I have not received representations from the government of Newfoundland focusing on this issue.

REQUEST THAT MINISTER TAKE ACTION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is directed to the same minister. The seven major plants I mentioned are all offshore trawler-fed plants. This has nothing to do with the licensing referred to by the minister. The minister is attempting to pass the buck. He is the minister of fisheries for all of Canada. Is he developing a plan which will lead to a remedy of this situation? Is he meeting with the Newfoundland minister who, he says, has jurisdiction in certain instances? Will he provide inventory assistance, for example? The minister knows interest rates are

a major problem to the industry. Is he urging the Minister of Finance to do something about that?

After seven years of the minister's claiming credit for all the good things, the industry is now in dire straits. When will the minister meet his responsibilities? What does he plan to do in his jurisdiction to help in the situation? These are major plants, and most of them are in the district of Burin-St. George's.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the division between the offshore and the inshore fisheries has been the subject of considerable debate over the years. The hon. member may not remember, but the government which multiplied the fish processing plants—and I am not trying to pass the buck; I am simply establishing some facts—also advocated a division between the offshore and the inshore of the order of 15 per cent for the offshore and 85 per cent for the inshore. I resisted that advice of the Newfoundland government. We have tried to help the offshore, and large fishing vessels have obtained very major increases in their landings. However, the major companies, faced with rather high inventories because of United States resistence to the accumulation of fish in their warehouses, are having some difficulties. This is a matter which was addressed by the Fisheries Prices Support Board. Recommendations have been made, and I hope to take to the cabinet in a matter of days the recommendations of the Fisheries Prices Support Board.

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THE ECONOMY

DROP IN INCOMES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, the Americans have the neutron bomb, which destroys people and leaves property intact, and we have a Minister of Finance and high interest rates which amount to the same thing.

I would like to address a question to the Minister of Finance respecting farm incomes, farm indebtedness, and the question of bank profits. It has been revealed by Statistics Canada that farm incomes all over Canada in 1980 were down 16 per cent. In Manitoba they were down 75 per cent, and in Ontario 30 per cent. Indebtedness, however, has increased to the point where the total indebtedness in Ontario of $600 million is equal to total farm income for 1980. Bank profits have risen to $1.2 billion.

Madam Speaker: Order, please. Hon. members are exaggerating. Their preambles are so long that I do know how much time I can allow for answers to questions of such length, because obviously sometimes the answers might be a bit longer than the questions. Would hon. members please be brief in their questions?

Mr. Rae: Madam Speaker, I will put my question quite simply. In view of this pattern of indebtedness and bank profits, how is it possible that the minister was quoted last week as saying that the banks were "bleeding a little", when all the evidence is that it is the farmers, home owners and small business people of Canada who are bleeding, and not the banks?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, even though you invited the hon. member to ask a question, I did not hear it. He is before the wrong audience if he wants to make that kind of speech.

ROYAL BANK MORTGAGE SCHEME

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I would like to ask the minister how it is possible for him to have said in this House last week that he regards a proposal which would increase the indebtedness of home owners as a progressive proposal from the Royal Bank. He said it was a move in the right direction. It would cost the Royal Bank two fifths of 1 per cent of its profit. How can the minister possibly stand in his place and say that that kind of proposal, which increases the indebtedness of home owners to the tune of $2,000, $3,000, $4,000 and $5,000, is conceivably a step in the right direction?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will attempt to explain to the hon. member that there are certain home owners in current circumstances who have cash flow problems and accumulated equity in their homes. A particular option, subject to the decision of the home owner, is available to minimize or mitigate the cash flow problem by taking a particular interest deferral.

Mr. Rae: Do you call that a choice?

Mr. MacEachen: The hon. member disapproves of that proposal. I believe he ought to permit the home owners of Canada to have that option and to decide for themselves whether it is appropriate for them in the circumstances. The hon. member says that is not a choice, but he is quite wrong because quite a number of home owners, given a choice, prefer to carry on with their mortgage payments at an increased level rather than have them reduced. That is their decision, but I believe this particular option can be useful to home owners with short term or temporary cash flow problems, and that is what it is intended to be.

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[*Translation*]

SMALL BUSINESS

REQUEST FOR EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question to the Minister of State responsible for small businesses deals with the Small Business Development Bond program. Could the minister tell me how many small businesses in

Canada and, if possible, in Quebec have availed themselves of this program, whether the minister will recommend the possible extension of this program, and whether he has discussed with the Minister of Finance the possible extension of this program which concerns small businesses?

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I am grateful to the hon. member for providing me with this opportunity to tell the House how much money the Small Business Development Bond program has managed to inject into our economy in order to prop up this important economic sector. According to our projections, some $1.5 billion will have been paid out since this development bond program started 18 months ago to help develop small businesses in financial difficulties. As far as utilization is concerned, we believe that over 6,000 small businesses have availed themselves of this program and, according to the preliminary data that we have received, it seems that these small businesses are located mostly in Alberta, British Columbia and Ontario. In the province of Quebec, very few businesses outside the Montreal area have taken advantage of this program.

* * *

● (1450)

[*English*]

FORESTRY

BRITISH COLUMBIA LUMBER INDUSTRY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. I assume the minister is aware of the seriously depressed state of the lumber and wood converting industries. I assume he and his colleagues are aware of the serious consequences, particularly to the hundreds of small communities throughout our country, with respect to unemployment, knowing one out of ten Canadians who work in that particular sector is wholly dependent on a single industry. What is the government doing in the short term, at least, to help the industry over this crisis and to help those throughout our country directly or indirectly affected by the serious difficulty that is experienced in that sector?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have one major program in place that is of particular importance to the British Columbia industry, and that is the Program for Co-operative Overseas Market Development that we run jointly with the British Columbia Council of Forest Industries and the British Columbia government.

Not long ago we signed a new agreement extending this program for a further period of years. The federal government is increasing its funding in support of this program by one third. The previous operation of the program has brought about an increase in exports of British Columbia forest products from some $200 million to $1 billion in markets, quite apart from those in the United States. I think this is a major effort in helping to counteract the tendencies to which my hon. friend has referred. I am happy to work and support other initiatives in this same direction.

EXPORT EARNINGS

Mr. F. Oberle (Prince George-Peace River): Has the minister received a request from the Council of Forest Industries of British Columbia not to send any further trade missions at the present time, particularly to the United States, because of the serious effects some other government programs have on our ability to market our lumber in the United States. Sixty per cent of the lumber is shipped there. Is he aware, and is the Minister of Finance aware, that this is one industry that generates more export dollars and makes a greater contribution to our balance of trade than all other industries combined? Is he aware of the serious situation in the industry? Will the government do anything about it?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are certainly aware of the importance of the forest products industry across Canada to our entire economy. We have a range of programs to support the development of the industry and to support its domestic and overseas marketing. We will continue to add to and intensify these efforts, including efforts to increase the opportunities for the industry in the United States, in spite of the weakened economic conditions there, conditions that have been confirmed as being weak just recently by the president of that country. On both sides of this House we share a commitment to the strengthening and development of the forest industry across Canada. I am sure we will continue working together in that direction.

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PUBLIC SERVICE

POLICY ON RIGHT TO STRIKE

Hon. David Crombie (Rosedale): My question is directed to the President of the Treasury Board. I am sure the minister is aware of the landmark decision of the Federal Court of Appeal handed down last week, which clearly established the federal government's power, in a strike situation, to determine the number of public servants who may or may not go on strike. The minister will recall the case dealt with air traffic controllers in particular. I would like to ask the minister whether he is considering any policy whatsoever which would result in a decrease in the number of public servants, generally, who may or may not go on strike.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, of course I am aware of the decision. I took the appeal to the Federal Court, because we felt that the original intention of the law, as adopted by Parliament in 1967, entitled the government, through the Public Service

Staff Relations Board, to designate those public servants who are essential to the interest, safety and security of the public. The Federal Court of Appeal simply confirmed the interpretation which we have given to that provision of the law, and which we have applied in many other instances. For example, I refer to the correctional officers in prisons, to nurses and other such groups. That is what the decision means, Madam Speaker. I understand the union, in fact, is seeking leave to appeal to the Supreme Court of Canada. It may be some time before our interpretation is definitively confirmed. There is no intention on the part of the government, Madam Speaker, to apply the law in any other way than was intended when adopted in 1967.

POSITION OF MINISTER OF LABOUR

Hon. David Crombie (Rosedale): My supplementary question is directed to the Minister of Labour. Given the minister's earlier statements questioning the continued usefulness of the right to strike, and also given the recent Gallup Poll outlining Canadian concerns about the right to strike, I should like to ask the minister if he is giving any consideration to any action which would result in a restriction of the right to strike in those areas where the public is concerned generally, such as airlines, railroads, telephones or postal services.

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, the answer to the hon. member is no. We believe, from tradition and experience so far, that by and large Canadians prefer to solve industrial disputes by resolving them first through mediation and arbitration, and letting the interested parties come to a peaceful solution without interference, wherever it is possible.

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[*Translation*]

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—INQUIRY WHETHER COMPENSATORY MEASURES WILL BE ADOPTED

Hon. Roch La Salle (Joliette): Madam Speaker, in the absence of the Minister of Consumer and Corporate Affairs I shall direct my question to the minister responsible for housing. Yesterday, my colleague from Hamilton-Wentworth raised the issue of the famous urea formaldehyde foam. Since the Minister of Consumer and Corporate Affairs has declined offhandedly any government responsibility in this matter and in view of the fact that in 1976, the Departments of Energy, Mines and Resources and Consumer and Corporate Affairs had recommended that no federal department use this product and that in 1977 the Canada Mortgage and Housing Corporation not only approved this product, but also agreed to subsidize it under its CHIP program, can the minister responsible for housing tell us today whether he feels at least some degree of moral and social responsibility in this matter and whether he will try to propose some compensation for these 100,000 home owners who not only have problems with their mortgages, but are being forced out of their homes because of a product for which the government has a certain responsibility?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am sure the hon. member is aware that the Minister of Consumer and Corporate Affairs, who is not here, is the chairman responsible in government to deal with this issue. I hasten to add that I am a member of the committee where the situation is being studied. The representations made by the hon. member are high on the list for consideration by that committee.

[*Translation*]

INQUIRY WHETHER SPECIAL GRANT WILL BE RECOMMENDED FOR OWNERS FORCED OUT OF HOMES

Hon. Roch La Salle (Joliette): Madam Speaker, the reply of the minister will certainly not reassure those who have major problems. I ask my question of the minister responsible for housing since the Minister of Consumer and Corporate Affairs has declined all responsibility. An inquiry will result in recommendations which I suppose will be relevant several months hence.

Could the minister assure these people that he will recommend the provision of a special grant in the next budget so that they will have somewhere to live next winter? I ask the minister to show some compassion for thousands of those people, both adults and children, who will not be able to live in their homes during the coming winter if the government does not take specific action.

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, at the outset I would reject the premise of the statement made by the hon. member that the Minister of Consumer and Corporate Affairs has rejected his responsibility. The opposite is true. He has been designated by the cabinet as the minister responsible to study the very issues that the member raises. If the hon. member pursues it and says that this is an issue of such moment that so many members are concerned about, I ask him what action did his government take about the same problem while they were in office?

* * *

HOUSING

REQUEST FOR ACTION ON MORTGAGE INTEREST RATES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is to the minister responsible for housing. The minister has had petitions, he has had briefs, protests, and CMHC reports. All of them are directed to immediate action on interest rates to solve Canada's housing problem. Yet all he does is ask for another survey of Members of Parliament. When will the minister get busy and ignore Scrooge, the

Minister of Finance, who wants to commit people to a lifetime of debt? When will he take action with the rest of us in the House and do something about bringing down mortgage interest rates?

• (1500)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in response to a question by one of the colleagues of the hon. member this afternoon, the Minister of Finance indicated that some financial institutions have already taken steps to assist Canadians faced with these kinds of problems.

Some hon. Members: Oh, oh!

Mr. Cosgrove: I have taken steps. I have personally responded to questions, incidents, and examples raised by colleagues of the hon. member. We are looking at individual cases where there is imminent danger of steps being taken which puts them in a position that is irretrievable. We have taken steps, and we are continuing to do so.

* * *

PETITION

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions, stating that he has examined the petitions presented by hon. members on Tuesday, October 27, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. BEATTY—QUESTIONS ADDRESSED TO COMMITTEE CHAIRMAN DURING QUESTION PERIOD

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, there was an incident during question period today which led to the point of order I want to raise now. As Madam Speaker is aware, the Chair does not ordinarily entertain points of order during question period. The first opportunity Members of Parliament have to raise points of order arising out of question period comes at three o'clock.

I refer Madam Speaker's attention to Citation 366 of Beauchesne's fifth edition which deals with the entire issue of private members having questions addressed to them during question period. It reads as follows:

> Questions may be asked of private members only under strict limitations. Virtually the only question possible would refer to a committee of which the member is the chairman. A question asking, for example, if a member intended to introduce certain legislation, is out of order.

This is the only reference I could find in Beauchesne's respecting the addressing of questions to private members. Obviously it leaves considerable discretion in the hands of Madam Speaker.

What happened this afternoon during question period is that questions were directed to a committee chairman acting in his capacity as chairman of the Standing Committee on Transport. They were not inquiries of the ministry. This was done on some three separate occasions. The chairman of the committee rose three times from his seat to seek to respond to the question, and at the same time the government House leader rose to try to wrest the floor away from him and to be recognized first.

The implications of a decision that a member of the ministry would have priority in responding to a question relating strictly to the responsibilities of a committee chairman, acting in his capacity as chairman of the committee, are very serious indeed for the functioning of all standing committees of the House of Commons. First of all I point out that committee chairmen are private members. They are not members of the ministry. They are not elected by the ministry. They are elected by the members of the committees themselves. Their responsibilities are owed not to the ministry. They are not accountable to the ministry or the party, but rather to hon. members of the House of Commons, in particular members of the committees.

If the right of an individual committee chairman to respond to questions addressed to him concerning his responsibilities as committee chairman is allowed to be pre-empted by a minister of the Crown seeking the floor at the same time, we are doing serious damage to the independence of committees of Parliament and are putting them in a position where the only way they can report to Parliament during question period is with the consent and agreement of the government.

When Beauchesne provided for questions to be put to private members who are committee chairmen respecting the discharge of their responsibilities and the activities of committees, surely it was not intended that the chairmen should have to funnel their responses to committee members and to parliamentarians through the government House leader.

The reason this is of particular concern to me is that I am Commons chairman of one of the two committees of Parliament which is chaired, by convention, by an opposition chairman. Madam Speaker will be aware of the fact that my colleague, the hon. member for Vancouver Quadra (Mr. Clarke), is chairman of the Standing Committee on Public Accounts and that I am chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments. The convention was established over the years that those two chairmanships should reside on the opposition side, precisely to stress the independence of committee chairmen and the independence of the committees themselves from the ministry. The responsibilities of those two committees are to hold the government to account and to hold its activities in check. Their responsibilities are very clearly to members of the committees and to members of the House of Commons, not at all to the ministry.

In this particular instance, when Your Honour recognized the government House leader as opposed to the chairman of

the Standing Committee on Transport, obviously you recognized the government House leader as opposed to a member of his own party. Of course, the chairmen of committees do not function as representatives of Parliament. They function as representatives of the committees themselves, and their responsibilities are to the committees. It would have been an absurd situation, for example, if the hon. member for Annapolis Valley-Hants (Mr. Nowlan), instead of posing a question to the chairman of the Standing Committee on Transport, posed a similar question to me relating to the discussions which the standing joint committee is currently undertaking on the entire question of VIA Rail and the government's cutbacks and it would have been possible for the government House leader to intercede and prevent me from responding to a question related to my activities as chairman and to the activities of the committee.

Consequently, I wanted to raise this question at the earliest opportunity because the implications for the entire functioning of the committee system, the implications for my responsibility as chairman of the standing joint committee, and the implications for all Parliament, are very profound indeed if the government House leader or other members of the ministry are able to wrest the floor away on issues not relating to their conduct but to the conduct of a standing committee.

Some hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I will be very brief because many points have been covered by my colleague, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). But, with respect, I should like to expand upon a point he barely touched upon. What happened today was certainly unusual, to say the least, and frankly has implications which strike at the very integrity of the committee system. The point my hon. friend mentioned about cabinet members versus members of committees, I will not repeat ad nauseam, but we see from day to day ministers deferring to the Prime Minister (Mr. Trudeau) and the Prime Minister deferring to a minister in answering questions, because of cabinet responsibility. This is a very well-accepted practice.

What happened today was not cabinet responsibility. A minister of the Crown, the President of the Privy Council (Mr. Pinard), in effect deferred or tried to control a duly-elected chairman of a committee of the House of Commons, which is an entirely different matter. This is why I think it is important to review, as we are doing right now, what happened today in order to establish the correct procedure forever in a day so that it will never happen again.

It is my submission that chairmen of committees may, as ministers, answer or not answer questions. I give the member full credit for finally answering the question in the very frank and direct way in which I knew he had to answer. He did not have to answer the question, but having answered it, that is fine. The only person who could replace the duly-elected chairman in effect is the vice-chairman, not a minister of the Crown.

I would hope you, Madam Speaker, would look at and review what happened today so that we will never again be faced with this fundamental embarrassment to hard-working members of the Standing Committee on Transport who wanted to have a chance to participate in substance, albeit within a very short period of time.

I am almost prepared to conclude my remarks, but we all know—and I know as well as any member because I have been in the House as a member of the Standing Committee on Procedure and Organization for almost 15 years—that there are many members who feel that committees are a complete charade. From time to time chairmen and vice-chairmen, on substantive matters such as transport, try to do a good job with their standing committees because the issues are important. What happened today destroys integrity and puts the chairman in an almost incredible position, making it difficult for him to maintain his authority in the standing committee whenever, if ever, it meets again.

• (1510)

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, everyone in the House knows that our parliamentary practice comes from Westminster. The hon. member would have us believe that we are not respecting that parliamentary practice because of our attitude during question period. May I refer you, Madam Speaker, and, with respect, my learned hon. colleague, to Erskine May, nineteenth edition at page 327 where questions to the Speaker, questions to ministers and questions to unofficial members are discussed. The relevant passage reads as follows:

> On 17 March 1944, Mr. Speaker ruled privately that a member may not seek by means of a question to the chairman to interfere in the proceedings of a select committee by suggesting a particular subject for inquiry (although such subject fell within its order of reference).

[*Translation*]

It seems to me, Madam Speaker, that this reference clearly disposes of the substantive question. Subsidiarily, I should like to make three comments: first of all, the questions put to the chairman of the Transport Committee were directly related to the order of business in the House, because if such a reference or the reference suggested by my colleagues opposite had been made to the committee, the committee would have had to report within a given time, and the report would have been the subject of a motion of concurrence, and thus might have been a subject for debate in the House.

However, as I have indicated in my replies, we had no intention of gagging the opposition, and I certainly do not feel guilty, because at least twice, up to now, the opposition has been able to deal with the matter on an opposition day, once with a vote of non-confidence in the government and on Monday of this week, when a motion for concurrence of a committee report dealing with the matter was introduced. I also indicated that the opposition still has four days until December 10, and that it will be perfectly free to select one or several of these days to reopen the debate on the matter.

But the problem arising as a result of the questions put to the chairman of the committee is that if the reference had been made to the committee, this might have prevented the government from controlling and disposing of the business of the House in accordance with Standing Order 18(2). In this respect, first of all, as government House leader I believe I was quite justified in giving the government's point of view in reply to the question put to the chairman of the committee.

The second point I wish to clarify, still subsidiarily, since the reference from Erskine May disposes of the question substantively, is that the member for Wellington-Dufferin-Simcoe (Mr. Beatty) quoted Beauchesne, fifth edition, Citation 366.

But if he had read more slowly in the first place, he would have noticed the last part of Citation 363(1), which says, and I quote:

—A member may put a question but has no right to insist upon an answer.

So he has absolutely no grounds for complaining that he received no answer from the chairman of the committee. And subsidiarily, as my third point, in the final instance, after everything was placed in its proper context and after I had an opportunity to explain why a reference to a committee has some effect on the order of business in the House, it was obvious that in fact, the hon. member had ample time to answer in a manner that was both clear, brief, precise, exemplary and unambiguous, the question put by the Leader of the Opposition (Mr. Clark), which summarized all previous questions directed to the committee chairman. In the circumstances, Madam Speaker, it is abundantly clear that the members opposite have absolutely no reason, either under the rules or according to parliamentary practice, to raise a point of order.

Finally, I would like to add that if these members are sincere in their desire to know the facts about the order in council and the government's decision to cut back VIA Rail services, in that case, they should be satisfied with the offer made by the Minister of Transport (Mr. Pepin) to appear before the appropriate committees in order to explain his policy and to give the government's point of view. It seems to me that if they were solely interested in obtaining the facts, they would be satisfied with this generous offer by the Minister of Transport, and in the best interests of the Canadian people, they would refrain from using the rules of the House to indulge in petty politicking and disrupt the government's order of priorities.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, ordinarily I would not rise on this matter because the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) put the case on this very important question in a most articulate and able manner. After hearing the intervention by the government House leader on behalf of the government, however, I feel compelled to respond.

During the question period this hon. gentleman ran interference for a very embarrassed chairman of the Standing Committee on Transport not once, not twice, but three times, thus gagging a proper procedure aimed at getting a response from that chairman on the business of the committee.

On the fourth occasion that he rose, it was not any longer for the purpose of keeping the muzzle on, because it was becoming embarrassing and the heat was too intense, but in order to say that the chairman of that committee could now respond to the question being put to him. Having done that, presumably in the guise of it being legitimate parliamentary procedure, he then cited May's Parliamentary Practice to say that it cannot be done.

What could be more ridiculous, Madam Speaker? He was the very one who did precisely what he said could not be done, basing his action on the theory that we in this place are governed by the rules of Westminster. That is not so, Madam Speaker. There are legions of differences between the practices of this House and the practices of Westminster. One only has to point to Standing Order 43 as one of the more apparent differences. The citation from May's which the hon. member used has no application here in view of Citation 366 of Beauchesne.

There is another difference to which I can draw the attention of the Chair with respect to the way in which we treat substantive motions and non-substantive motions. At page 365 of May's nineteenth edition, a motion to concur in a committee report is classified as a non-substantive motion, yet it is clear from our practices that it is so regarded. There are legions of such differences.

I would invite the Table officers to advise Your Honour on the matter that has been raised since its importance commands your consideration, and then perhaps we could have a ruling tomorrow.

What has happened is that apparently we are not going to have a reference to a committee for whatever reasons the government has, and I do not know what they might be. It seems that the Minister of Transport (Mr. Pepin) does not want to appear before the transport committee because it might make a report. Of course, that is the whole thrust of the reasonable request to have this question examined, in order to ascertain the truth of the facts that go into the government's decision. But the minister has said he does not want to appear and be examined by the committee because he is afraid—and I was astonished at his frankness—that the committee might report. Of course it might report. It might report and make the finding that I am sure the hon. member for Northumberland-Miramichi (Mr. Dionne) and other New Brunswick and Atlantic provinces members would like to see, namely, that the decision to cut those services was illegal. That could quite likely be the report from the committee.

I invite you, Madam Speaker, to consider this question very carefully. It seems to me that the whole difficulty might have been avoided had you followed your usual practice. When a question from this side is addressed to a member of the ministry, you usually see that minister. In this case, on three separate occasions questions were addressed to the hon. member for Northumberland-Miramichi as chairman. In his

capacity as chairman, he rose three times. I would have thought that the natural inclination would have been to see the chairman and permit him to respond to the question.

• (1520)

Therefore, I suggest that future difficulties might be avoided if Your Honour followed that ordinary and customary practice of recognizing the individual on the other side to whom the question is addressed.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I will be brief. As I said the other day, I never quite understand how we get into these discussions. However, in reading Beauchesne I draw certain conclusions. First of all I want to point out that Citation 366 of Beauchesne states that:

> Questions may be asked of private members only under strict limitations. Virtually the only question possible would refer to a committee of which the member is the chairman.

I assume from reading that, that since the question is allowed to be asked, the answer is allowed to be given. I begin from the premise that if it is legal within the laws of the House of Commons to ask the question, then surely it must be reasonable and equally legal for the hon. member who is being asked to be able to answer.

The second point I submit for Your Honour's consideration is that the reference made by the hon. House leader for the government is in my judgment and, I hope, in the judgment of the Chair, an innapropriate reference. As previously indicated by the House leader for the government, as reported in *Hansard* of March 17, 1944, at page 327, Mr. Speaker ruled privately that a member may not seek, by means of a question to the chairman, to interfere in the proceedings of a select committee by suggesting a particular subject for inquiry. That, of course, was not before the House today. As I listened to the debate, there was no intention at any time to seek, by way of a question to a select committee—or, for that matter, any other committee, assuming that a standing committee is a select committee—to alter the terms of reference or to suggest that a matter not legitimately before the committee should be placed before the committee.

Therefore, I submit to Your Honour, if I may, that that reference is quite inappropriate, does not apply to the situation before you, and therefore is of no value in this debate.

Mr. Nielsen: That does not apply in Canada.

Mr. Deans: Therefore, I simply ask Your Honour to consider the proposition that if, within the Standing Orders of the House of Commons and the precedents established in the House of Commons, it is deemed appropriate that an hon. member on either side can pose a question to a committee chairman under certain circumstances, and if those circumstances are not in any way deviated from, then it should be equally understood that the chairman of the committee should be given the option to answer; that the only person who could determine whether the chairman ought or ought not to answer should be the chairman of the committee at that point of time; and that if the chairman wishes to relinquish the right to answer to the President of the Privy Council or to the government House leader, then that may well be the prerogative of that chairman at that time.

However, under the circumstances, I would suggest that the President of the Privy Council (Mr. Pinard) and House leader for the government, did in fact interfere with the orderly conduct of the business by repeatedly rising to answer a question not directed to him, when the hon. member to whom the question was directed was obviously willing and able to answer it himself.

Madam Speaker: Regarding the question first posed by the hon. member for Annapolis Valley-Hants (Mr. Nowlan) at the beginning of this discussion, as to whether or not the chairman should have answered that question, it is true, as stated in Beauchesne, that a chairman of a committee may answer a question in the House about the activities of that committee. That citation, of course, is quite acceptable; but there are other citations which could have been quoted which state that a minister or, for that matter, a chairman of a committee, is not obliged to answer.

Mr. Nielsen: But he was trying to answer.

Madam Speaker: The Chair has no authority, whatsoever to force a minister or, for that matter, a chairman of a committee—

Mr. Siddon: But he stood up.

Madam Speaker: —to answer a question in the House. I have no authority whatsoever to force anyone to answer any question put to him in the House.

Mr. Lawrence: Good grief!

Madam Speaker: The issue in the minds of some is that the chairman of that committee was gagged by the President of the Privy Council (Mr. Pinard), who chose to answer the question instead of the chairman of the committee.

Mr. Lawrence: No, no. He was recognized by Your Honour to answer.

Madam Speaker: If the President of the Privy Council wants to interpret a question as being related to the business of the House, it is not for the Chair to say that it is not related to the business of the House. In my mind, since the President of the Privy Council did rise to answer that question, he was perfectly justified in answering it.

Two people rose to answer that question. I recognized neither, and I want to make that quite clear. I never recognize one minister or another in order that he may answer a question which comes from the opposition benches. Hon. members will notice that I never, never announce the name of a minister during question period, except following an interruption when I have to call members to order and I give the minister the floor for the second time. However, I do not choose the ministers who will be answering the questions which are put to the government.

Therefore, if the President of the Privy Council chooses to answer a question and to interpret it as being related to the business of the House, the Chair may not interfere. The only time the Chair interferes is when it is quite obvious that a question which is not within a minister's responsibilities is directed to him. Then, of course, I will not allow a minister to answer that question.

I want to make it quite clear that I cannot start the new practice of recognizing this minister or the other. That practice never existed. The Chair does not recognize any particular minister in order that he may respond to a question coming from the opposition benches.

Mr. Lawrence: Quite right, when it is a question to the ministry; but this wasn't.

Madam Speaker: It is hard for me to see where the problem lies. The opposition members did get an answer from the President of the Privy Council, and an answer was also given by the chairman of the committee. Therefore, in a sense, the questioners were satisfied in both instances. It is not for me to choose whether the President of the Privy Council or the chairman of the committee should have answered that question.

It is the first time that I have had to deal with this particular matter of the responsibility or otherwise of committees to answer questions. I fail to see that anyone has been gagged in these particular circumstances in view of the fact that two people rose, and I did not choose between them. I thought one deferred to the other. As a matter of fact, on the first question the chairman deferred to the President of the Privy Council and on the second or third question, the President of the Privy Council deferred to the chairman of the committee. That is a question with which I do not want to interfere.

However, I will check the precedents and perhaps clarify the rule regarding the circumstances in which chairmen of committees may answer questions put to them. I insist on the word "may", because they may refuse to answer the question, and that is their privilege.

The hon. member for Regina West (Mr. Benjamin).

Mr. Benjamin: Madam Speaker, I rise—

Mr. Nielsen: Madam Speaker!

Some hon. Members: Sit down.

Mr. Clark: Madam Speaker—

Some hon. Members: Order!

Mr. Nielsen: Where are the traditions and the customs in this place?

Madam Speaker: Just a minute. I had already recognized the hon. member for Regina West (Mr. Benjamin) who rose before I dealt with this problem. Does the hon. member for Yukon (Mr. Nielsen) want to comment further on this particular point of order? I thought that I had closed the debate by saying that I would consult the precedents and try to clarify the rules as to the circumstances in which chairmen of committees may answer questions. Is the hon. member now rising on another matter, or does he want to comment further on what I have just said? I repeat that I have not yet ruled, and he may comment, I suppose. However, I want to know what is going on. The hon. member for Regina West had already risen before the hon. member for Yukon asked for the floor.

Mr. Nielsen: I am rising on a question of privilege, Madam Speaker. Naturally I would not question the ruling of the Chair.

Mr. Lawrence: She has made no ruling.

Mr. Nielsen: I do not question the comments of the Chair. However, I too want to review very carefully the record of today's exchange, together with the just completed summation of the Chair, with a view to referring this very important matter raised by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), this whole question of government intervention and the responsibilities of committee chairmen to reply to questions, to the Standing Committee on Privileges and Elections. That may be of assistance to the Chair as well. All I am doing is to flag the possibility that tomorrow I may file a notice to raise that question of privilege and follow it with a substantive motion.

• (1530)

Mr. Les Benjamin (Regina West): Madam Speaker, I rise under the provisions of Standing Order 25 and in light of what happened in the standing committee yesterday, and I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House do now adjourn.

Madam Speaker: Can I have that in writing?

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

Madam Speaker: Call in the members.

Mr. Peterson: What a waste of time!

The House divided on the motion (Mr. Benjamin) which was negatived on the following division:

● (1540)

(Division No. 89)

YEAS

Messrs.

Althouse	Gamble	Mitchell (Mrs.)
Andre	Gilchrist	Munro (Esquimalt-Saanich)
Anguish	Greenaway	Neil
Baker (Nepean-Carleton)	Gurbin	Nickerson
Beatty	Halliday	Nielsen
Benjamin	Hamilton (Qu'Appelle-Moose Mountain)	Nowlan
Blaikie	Hargrave	Oberle
Bosley	Heap	Ogle
Bradley	Howie	Paproski
Broadbent	Huntington	Parker
Cardiff	Jarvis	Patterson
Carney (Miss)	Jelinek	Robinson (Burnaby)
Clark (Yellowhead)	Kempling	Rose
Clarke (Vancouver Quadra)	Korchinski	Sargeant
Coates	Kristiansen	Schellenberger
Cook	Kushner	Scott (Hamilton-Wentworth)
Cooper	Lambert	Scott (Victoria-Haliburton)
Crosbie (St. John's West)	La Salle	Shields
Crouse	Lawrence	Siddon
Dantzer	Lewis	Skelly
Darling	MacDonald (Miss)	Stewart
Deans	Manly	Taylor
Dinsdale	Mazankowski	Thomson
Ellis	McCain	Towers
Elzinga	McCuish	Vankoughnet
Epp	McDermid	Waddell
Fennell	McGrath	Wilson
Fraser	McKenzie	Wright
Fretz	McKinnon	Young—90.
Fulton	McKnight	
	McMillan	

NAYS

Messrs.

Allmand	Demers	Isabelle
Appolloni (Mrs.)	Deniger	Johnston
Axworthy	Desmarais	Joyal
Bachand	Dingwall	Kaplan
Baker (Gander-Twillingate)	Dion	Killens (Mrs.)
Beauchamp-Niquet (Mrs.)	Dionne (Chicoutimi)	Lachance
Berger	Dionne (Northumberland-Miramichi)	Lajoie
Blais	Dubois	Lalonde
Blaker	Duclos	Lamontagne
Bloomfield	Dupont	Landers
Bockstael	Dupras	Lang
Bossy	Ethier	Laniel
Breau	Evans	Lapointe (Charlevoix)
Burghardt	Ferguson	Lapointe (Beauce)
Bussières	Fleming	LeBlanc
Caccia	Foster	Lefebvre
Campbell (Miss) (South West Nova)	Fox	Lonsdale
Campbell (LaSalle)	Francis	Lumley
Campbell (Cardigan)	Frith	MacBain
Chénier	Garant	MacEachen
Chrétien	Gauthier	MacGuigan
Comtois	Gendron	Mackasey
Corbin	Gimaïel	MacLaren
Corriveau	Gingras	MacLellan
Côté (Mrs.)	Gourd (Argenteuil-Papineau)	Malépart
Cousineau	Gourde (Lévis)	Maltais
Cullen	Guilbault	Marceau
Cyr	Harquail	Massé
Daudlin	Henderson	Masters
Dawson	Herbert	McCauley
De Bané	Hervieux-Payette (Mrs.)	McRae
de Corneille	Hopkins	Munro (Hamilton East)
	Irwin	Olivier
		Ostiguy
		Parent
		Pelletier
		Penner
		Pepin
		Peterson
		Pinard
		Portelance
		Prud'homme
		Regan
		Roberts
		Rompkey
		Rossi
		Roy
		Savard
		Schroder
		Simmons
		Smith
		Tardif
		Tessier
		Tobin
		Tousignant
		Turner
		Veillette
		Yanakis—123.

● (1750)

Madam Speaker: I declare the motion lost.

Shall we call it six o'clock?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PETITION

MR. LAWRENCE—REQUEST FOR LEGISLATION RESPECTING PUBLIC SERVANTS' RIGHT TO STRIKE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I ask leave of the House to lay upon the Table a petition, prepared by Mrs. Ruby Burnside of Orono, Ontario, and signed by 934 residents of the town of Newcastle and other places in Durham-Northumberland constituency, concerning the very serious consequences of the recent strike by certain employees of the Post Office. These petitioners are asking that legislation be enacted making it illegal for public servants working in essential services to strike.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the following questions will be answered today: Nos. 2,317 and 2,474.

[*Text*]

RCMP "E" DIVISION HEADQUARTERS

Question No. 2,317—**Mr. Munro (Esquimalt-Saanich):**

1. With respect to the Royal Canadian Mounted Police "E" Division headquarters located at 2881 Nanaimo Street in Victoria (a) what was the (i) completion date (ii) cost of construction, including furnishings, office equipment and landscaping (b) on what date was the building opened and occupied by the RCMP?

2. Was a decision made to open a new headquarters in Victoria and, if so, on what basis?

3. Was a decision made to move the headquarters to Vancouver and, if so (a) on what basis (b) on what date will the move occur and what is the itemized cost, including acquisition and preparation of a new building?

Hon. Bob Kaplan (Solicitor General): 1. (a) (i) and (ii) Land and adjacent buildings for Division and S-Division headquarters were purchased 78-06-08 for $4,600,000.

Division HQ	$2,550,000
S-Division HQ	915,000
Land	1,135,000
	$4,600,000

Furnishings and office equipment, $74,100
Landscaping, $30,000.

(b) Sub-Division building was initially occupied 77-11-25 under lease. Division headquarters building was occupied 78-04-28 following purchase approval 78-03-31 which was finalized on 78-06-08.

2. The RCMP "E" Division headquarters was accommodated in the Montreal Trust Building at 1061 Fort Street, Victoria, B.C. from 1963 to 1978. In 1976, due to normal expansion plus a reorganization of the administration of the force in British Columbia, it became evident that this building would not meet the force's long-range requirements. It was therefore necessary to arrange a short-term lease renewal pending provision of alternative accommodation or expansion of the Fort Street building.

Due partly to the landlord's insistence that a minimum renewal term of three years be negotiated and the projected increase in space requirements by the RCMP, together with cost estimates for enlarging, upgrading and alterations to the existing premises, the RCMP, with the approval of Treasury Board, authorized Public Works Canada to proceed with a public tender call for 50,000 rentable square feet of space for a ten-year term.

Foreman Enterprises Ltd., Vancouver, British Columbia, was the successful tenderer and subsequently constructed both a Division and Sub-Division headquarters on one side of Topaz Avenue and Nanaimo Street in Victoria under a lease purchase agreement.

3. The recommendation by senior management of the force and the decision of the Solicitor General to relocate the headquarters in Vancouver was made only after an in-depth review of the present organization structure. The basis for the relocation of the headquarters is that Vancouver is clearly recognized as the hub of British Columbia and the centre of action in terms of police activity as well as being the centre of trade and commerce. Additionally, a large percentage of the force's personnel in British Columbia is located in Vancouver and surrounding municipalities and placing the headquarters in closer proximity thereto is likely to result in greater cost effectiveness.

Further, there is no logical rationale from an operational point of view to maintain the Division headquarters at Victoria since the provincial justice ministry has offices and conducts a great deal of its work out of Vancouver. Similarily, provincial Crown counsels have been decentralized to Vancouver and elsewhere, increasing their accessibility.

The review which was directed at the administrative costs and over-all efficiency and effectiveness, identified several deficiencies with the present concept of a secretariat and two districts:

(a) the secretariat concept is not cost effective;

(b) duplication in virtually all facets of management at the secretariat and district headquarters levels, resulting in costly administration delays;

(c) an unhealthy competitiveness between districts, and districts and secretariat;

(d) a lack of clear terms of reference for members of the secretariat, resulting in confusion and frustration of its employees and a limited contribution to division management and operations.

Based on the foregoing concerns, the decision was made to return to a one division concept which would eliminate the extra layer of management and provide for a more viable operation.

It is not planned to move our British Columbia headquarters to Vancouver immediately. Such a move will take place over a three-year period, with completion being in the latter part of 1983.

The costs and savings are projected to be as follows:

Action Plan: Total amalgamation of all RCMP HQ operational and administrative functions at Victoria and Vancouver to Fairmont, Vancouver.

Estimated costs:

(a)	Relocation of manpower and equipment, renovations, and new construction	$22,500,000
* (b)	Purchase of WCB Clinic	6,500,000
(c)	Fit-up of WCB Clinic	2,500,000
(d)	Relocation of Victoria furnishings and equipment	80,000
(e)	Relocation of Victoria employees (100)	1,000,000
	Total cost	$30,330,000

* Cost is only an estimate since purchase is still under negotiation which should be completed by end of June, 1981.

Estimated Savings: (a) 1. Sale of ED-1 HQ Victoria building. (Assumption: city of Victoria grants severance and Victoria S-D building will meet the force's needs). Sale proceeds: 50,000 sq. ft. at $70 per sq. ft. or $3,500,000.

2. Rental of ED-1 HQ Victoria building. (Assumption: city of Victoria will not grant severance), total rentable area 50,000 sq. ft. at $15 per sq. ft., yearly rental of $750,000. Escalated at 10 per cent per year (inflation factor) discounted at 15 per cent (time horizon of proposal), $5,791,500.

3. Sale of Victoria S-D building. (Assumption: city of Victoria will grant severance and the larger ED-1 HQ building will be required to meet the force's projected space needs of 40,000 sq. ft. Sale proceeds: 15,000 sq. ft. at $70 per sq. ft., $1,050,000. Rental of excess space 10,000 sq. ft. at $15 per sq. ft. yearly rental of $150,000 escalated at 10 per cent per year (inflation factor), discounted at 15 per cent for 10 years (time horizon of proposal), $1,158,300. Total $2,208,300.

4. Rental of Victoria S-D building. (Assumption: city of Victoria will not grant severance). Total rentable area 25,000 sq. ft. at $15 per sq. ft., yearly rental of $375,000 escalated at 10 per cent per year (inflation factor) discounted at 15 per cent for 10 years (time horizon of proposal), $2,895,750.

(b) Salaries contributing to the manpower reduction of 30 employees at $25,000 a year (average salary), an annual savings of $750,000 per year escalated at 10 per cent per year, discounted at 15 per cent for 10 years, (time horizon of proposal), $5,791,500.

(c) Rental savings, Vancouver, B.C., $347,540 per year, escalated at 10 per cent per year (inflation factor) discounted at 15 per cent for 10 years (time horizon of proposal), $2,683,703.

(d) The purchase of WCB Clinic provides 100,000 sq. ft. of required space that, if not purchased, would have to be replaced by (1) new construction at $100 per sq. ft. or $10,000,000 or (2) rental at $15 per sq. ft. yearly rental of $1,500,000 escalated at 10 per cent per year (inflation factor), discounted at 15 per cent for 10 years (time horizon or proposal), $11,583,000.

Net cost over 10 years; $6,771,797.

STUDENT LOAN PROGRAM BUDGET

Question No. 2,474—**Mr. Herbert:**

1. In each of the past five years, what amount was included in the budget for the student loan program and what amount was allocated to each province?

2. What amount was contributed to the province of Quebec in lieu of participation in the program?

Hon. Gerald Regan (Secretary of State): 1. (a) Amount included in budget for last five fiscal years:

1976/77	1977/78	1978/79	1979/80	1980/81
$	$	$	$	$
68,400,000	94,700,000	97,796,000	97,796,000	110,940,000

(b) It is not possible to separate these budgetary allocations by province because, with the exception of alternative payments to the province of Quebec, the amounts are paid to lending institutions or collection agencies and not to provincial governments. As well, in some cases, loans are not authorized by the provincial authority in which the lending institution or agency making the loan is located.

The following table shows the value of loans authorized annually by each province for the past five loan years (loan year ends June 30):

Province	75/76	76/77	77/78	78/79	79/80
			($ million)		
B.C.	16.9	20.3	19.9	20.4	21.1
Alta.	20.2	19.9	18.7	19.2	20.3
Sask.	5.6	5.5	7.5	7.9	7.0
Man.	7.6	12.6	9.1	7.8	7.0
Ont.	76.4	90.7	59.1	77.2	69.5
N.B.	10.2	8.6	8.4	8.8	8.9
N.S.	13.7	13.2	11.3	11.1	11.7
P.E.I.	2.0	2.3	1.7	1.7	1.6
Nfld.	4.6	5.0	4.8	5.0	5.1
Yukon	0.1	0.1	0.2	0.1	0.2
N.W.T.	0.1	0.1	0.1	0.1	0.1
Total	157.4	178.3	140.8	159.3	152.5

Motions for Papers

2. Alternative payments to Quebec in each of the last five fiscal years:

1976/77	13,027,488
1977/78	12,102,573
1978/79	15,875,306
1979/80	21,670,352
1980/81	17,452,507

[*English*]

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

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I have the pleasure of tabling a revised return to motion for the production of papers No. 51, which was put forward in the name of the hon. member for Victoria (Mr. McKinnon).

Madam Speaker: Shall the hon. parliamentary secretary have leave to table the revised return?

Some hon. Members: Agreed.

COPIES OF LETTERS, PAPERS AND STUDIES CONCERNING MOVE OF RCMP HEADQUARTERS "E" DIVISION FROM VICTORIA TO VANCOUVER

[*Text*]

Motion No. 51 (revised)—**Mr. McKinnon:**

That an order of the House do issue for copies of all letters, papers and studies concerning the move of RCMP Headquarters "E" Division fom Victoria to Vancouver, British Columbia.

Motion agreed to.

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I have a half dozen motions on the Order Paper at the present time which date back to last December. I should like to draw the attention of the parliamentary secretary to Motion No. 56 in particular. It calls for the production of a copy of the latest signed agreement between the government and the province of Ontario under the Canada Assistance Plan. Because it is my understanding that the government is prepared to table this document but that the government of the province of Ontario is refusing its consent, I think the matter should be clarified. I therefore ask the parliamentary secretary if, after the call for motions for the production of papers next Wednesday, he could clarify this point. It is relevant, obviously, to the discussion this fall on the renewal of the fiscal transfer payments with the provinces. The importance of this item is self-evident.

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I thank the hon.

member for his comments and I will bring them to the attention of the Parliamentary Secretary to the President of the Privy Council (Mr. Smith).

I ask, Madam Speaker, that all other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the other notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Tuesday, October 27, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

Mr. Peter Elzinga (Pembina): Madam Speaker, this is the first time that I am participating in a 20 minute debate spread over a period of three days. It is all because the Liberals reneged on yet another all-party agreement dealing with VIA Rail.

Some hon. Members: Hear, hear!

Mr. Elzinga: In this chamber we are aware of the fact that the government's word is no good, and I think it is finally sinking through to the Canadian people.

The Acting Speaker (Mr. Blaker): Order, please. Given the fact that there is so little time to go, perhaps the hon. member might like to address himself to Bill C-48.

Mr. Elzinga: In dealing with Motion No. 21, let me say that I have listened with great interest to the debate on Bill C-48. On those occasions when I have not been in the chamber I have made myself aware of what was said through reading *Hansard*. It is obvious that all parties in the House agree on many aspects of the legislation and on its importance. I am sure the basic goals of all parties are very similar; we all wish to achieve energy self sufficiency.

The Acting Speaker (Mr. Blaker): Order, please. Lest there be any confusion, the Chair will be pleased to recognize the hon. member for Pembina (Mr. Elzinga) when the House sits again, assuming, of course, that he wishes to speak and is present.

It being six o'clock, pursuant to Standing Order 2(1) I do now leave the chair until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 29, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

PROPOSED INCREASE IN POSTAL RATES—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, individual Canadians as well as local governments are outraged by the proposed 75 per cent increase in the cost of mailing a first-class letter. Given that such an increase could be viewed as a reward for postal waste and inefficiencies, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House strongly urges that the proposed increase in postal rates be rejected, and a more reasonable increase be implemented.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

REFERRAL OF REPRESENTATIONS TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, because many urgent issues presently face Canada's native community, including the very real concerns over the constitutional proposal, land claims, and Indian political and economic development, and because numerous individual bands and native organizations have been trying for months to voice their concerns before the Standing Committee on Indian Affairs and Northern Development, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister of Indian Affairs and Northern Development immediately make a special reference to the Standing Committee on Indian Affairs and Northern Development so that it might begin hearing these representations from Indian people as soon as possible.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

SUGGESTED PROVISION OF GRANT TO ELDERLY TO HEAT HOMES—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under the provisions of Standing Order 43. Since the federal government has now completed energy agreements with the producing provinces and will get a great deal of additional cash as a result; since the price of home heating fuels this winter will rise faster than the pensions of our old people; and in view of the fact that the Prime Minister (Mr. Trudeau) said last night that scarce tax dollars must be spent first on those who need help most, and that those who are stronger must carry more of the load, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House urge that Canada's seniors, unlike the oil companies which are now getting a generous guaranteed income, be given a specific grant in the forthcoming budget in addition to the guaranteed income supplement so that they can afford to heat their homes this winter.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

PRIME MINISTER'S SPEECH IN TORONTO—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, inflation is now running at about 13 per cent on a yearly basis and is reducing the living standard of virtually every Canadian within the government's reach. In the past 12 months the largest contributors to increases in our consumer prices have been Ottawa-set interest rates which are up by fully 50 per cent, and Ottawa-set energy prices which are up by fully 33 per cent even before the new energy agreement begins to operate. I therefore move, seconded by the hon. member for Oxford (Mr. Halliday):

That any of the Torontonians attending last night's dinner who believed a single word the Prime Minister said about fighting inflation should be required

to spend a weekend at 24 Sussex Drive reading Niccolo Machiavelli's "The Prince".

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

PURCHASE OF OIL COMPANY BY ONTARIO GOVERNMENT—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the recent $625 million purchase of Suncor Corporation shares by the government of Ontario, making it the largest shareholder, I move, seconded by the hon. member for Etobicoke North (Mr. MacLaren):

That this House applaud the Ontario Conservative government's effort to further the Canadianization goals of the National Energy Program.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

RELATIONS WITH UNITED STATES OF AMERICA—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, the economy of British Columbia is on the brink of recession. Our major industry, the forest industry, faces a potentially disastrous economic situation as hundreds of workers are being laid off every day. A further threat to that industry is now apparent since, in retaliation for this government's discriminatory policies toward the U.S. in the National Energy Program, Washington is considering restricting the import of B.C. lumber. Therefore I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

● (1410)

That this House urge the government to stop butchering our trade relations with the U.S. and immediately implement policies which reflect the fact that the U.S. is our major and dominant trading partner and can easily cause irreparable damage to our nation's economy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

UNITED NATIONS

ELECTION OF A SECRETARY GENERAL—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the United Nations is having a problem electing a Secretary-General. The choice of Kurt Waldheim, running for an unprecedented third term, is being vetoed, and this impasse must be rectified. Canada has the answer. Now, Madam Speaker, it was a tough decision to make. What should I put first when proposing this motion, the world or Canada? I decided Canada must come first. Therefore I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That the Right Honourable the Prime Minister of Canada, Pierre Elliott Trudeau, place his name in nomination for the position of Secretary-General of the United Nations—

Some hon. Members: Hooray!

Mr. McDermid:

—resign as the Prime Minister of Canada—

Some hon. Members: Hear, hear!

Mr. McDermid:

—so that this great country will have a fighting chance to survive economically, socially, and united from coast to coast.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CONSTRUCTION OF INDUSTRIAL RESEARCH CENTRE FOR PRATT & WHITNEY AIRCRAFT OF CANADA LTD., AT LONGUEUIL, P.Q.—MOTION UNDER S.O. 43

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Considering that yesterday the Minister of Regional Economic Expansion (Mr. De Bané) announced that a $4 million subsidy would be given for the construction of a $20 million industrial research centre to Pratt & Whitney Aircraft of Canada Ltd., and considering that every dollar invested in this kind of industrial research pumps $60 back into the economy, which will be a considerable advantage to Quebec's economic situation, I move, seconded by the hon. member for Montreal-Sainte-Marie (Mr. Malépart):

That the House congratulate the Department of Regional Economic Expansion and its minister for having given the province of Quebec this substantial financial assistance.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HEALTH

DANGERS OF DIOXIN CONTAMINATED FISH—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of levels of dioxin contamination in Lake Ontario and the environmental problems and health issues that must be addressed; and in view of the recent studies of Dr. James Allen on the effects of dioxin on animals, which confirm that as little as one microgram of dioxin per kilogram of body weight gives evidence of contamination, I move, seconded by the hon. member for Beaches (Mr. Young):

That in view of the dangerous contradictions between the Minister of National Health and Welfare, the Minister of the Environment and the Minister of Fisheries and Oceans—first, Health and Welfare allowing the Canadian public to dine on fish twice as contaminated as allowed in the United States; second, Fisheries and Oceans allowing the export for consumption in Europe of fish prohibited in Canada due to contamination; third, the Minister of the Environment saying that no dioxin is allowed in food in Canada, the Liberals should come clean on this vital health issue and inform Canadians why no dioxin is allowed in food, but that one can eat fish polluted with 20 parts per trillion, and that anything more contaminated can be exported to poison others.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

HANDLING OF REGISTERED MAIL AND OF LETTER SENT BY MEMBER OF PARLIAMENT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise in regard to the receipt of two anonymous brown envelopes containing first-class mail addressed to persons in Ottawa which Canada Post failed to deliver to their destinations, the circumstances of which illustrate the shocking postal inefficiency for which the government disgracefully wants Canadians to pay almost 100 per cent more. I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Canada Post and the Royal Canadian Mounted Police be requested to investigate, first, the handling of a registered letter bearing registration number 606, mailed by a high official of the Yugoslav Embassy at Ottawa substation 3 to a recipient in Ottawa who never received nor signed for it, and to which is still attached the acknowledgement of receipt card requested by the Yugoslav Embassy; second, a letter written by a prominent member of this Parliament to an Ottawa recipient, which was also never received; and finally, that an immediate apology be extended to both persons involved, namely, to the member of this House and to the Yugoslavian ambassador for these outrageous examples of improper handling of first-class mail and registered mail.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

COURT ACTION RESPECTING ORDER IN COUNCIL CANCELLING PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is for the Minister of Transport. Yesterday in the House of Commons the minister said that if there was any doubt about the legality of the order in council which has been proposed to eliminate one fifth of Canada's rail passenger service he would merely pass a new order in council and have it registered.

Has the minister consulted with his legal officials on this matter since the government order does nothing to amend the existing CTC order, namely R26-520, which prescribes an ongoing statutory responsibility on CN and CP to provide rail passenger service, and since this argument is part of the argument which is being advanced by a group seeking a legal injunction in the federal court of the province of Saskatchewan? In order to facilitate the court action would the minister not now undertake to have this matter referred to the proper court with a proper reference, so that it can be cleared up, or does the minister simply intend merely to issue another order in council to get around this other legal requirement?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure that what we have done is legal, and consequently there is no reason to do what my hon. friend suggests. There are two aspects to this matter. One has to do with CTC order R-6751 and CTC order R26-520, being orders under which the railways would have to continue operating routes. What I am pleased to tell my hon. friend is that CTC order R-6751 was revoked by CTC order R31-300 on August 14, 1980. I am pleased to tell him that CTC order R26-520 has been varied by the order in council on August 6, 1981. Item 3 of schedule XV refers to the final plans for western transcontinental passenger train service as implemented by CTC order R26-520. Therefore, there is no problem at all.

Some hon. Members: Oh, oh!

Mr. Pepin: On the subject of the registration, I am still in the same position that I was in yesterday when I reported that we are studying that aspect in depth now. If there is a doubt, we will act accordingly and make the necessary adjustments to the order in council of August 6. That will be quite legal, and things will not be changed from what they are now.

REFERRAL TO SENATE COMMITTEE ON TRANSPORT

Hon. Don Mazankowski (Vegreville): Madam Speaker, one will have to study that answer very closely. If, as the minister suggests, the first order in council may be illegal, does that mean all of the instructions issued under the first order in council are also invalid, including the lay-off notices of which the minister is required to provide some 90 days' prior notice, which will probably require clarification, or will it mean that another lay-off notice will have to be made based upon the legitimate order in council? Could the minister respond to that?

Since the Senate has unanimously referred the matter of VIA Rail to the Standing Senate Committee on Transport and Communications, and since that committee has unanimously asked the minister to defer the date of implementation to at least March 31, 1982, could the minister advise us whether he is aware of that? Can he tell us whether he has received that communication and what will his response be to that unanimous approach made by the distinguished members in the other place?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as usual there are three questions in every one asked by the hon. member for Vegreville. On the subject of going before committees, I have said it before and I will repeat it again that I am willing to go before committees to explain what we have done, but I am not willing to play the game which the opposition wants to play—

Mr. Clark: Which is called democracy.

Mr. Pepin: —that of buying another day on the floor of the House of Commons. The government House leader explained that extremely well yesterday. This afternoon I am appearing before the Standing Committee on Regulations and Other Statutory Instruments. I will do my very best to give them all of the material that I have in my hands now.

With respect to the subject itself, I think I have answered quite well today, if I may say so.

Some hon. Members: Oh, oh!

Mr. MacEachen: Superbly.

Mr. Pepin: Superbly, says the Minister of Finance. That is a compliment which anyone should cherish.

Some hon. Members: Oh, oh!

• (1420)

Mr. Pepin: I think I have answered well on those orders of the CTC which, in the mind of my hon. friends yesterday, had not been dealt with properly. Now with respect to the procedural registration of these orders in council, I will go further on that this afternoon. There is a very learned debate now and all of us here are being but mouthpieces of much more profound legal minds on this subject. But there is a debate on the subject. I stand on the position I have taken up to now. I very graciously said that, if there is a shadow of doubt, if there is a modicum of doubt, we will move to accommodate that doubt. I do not see what else I can do.

POSITION TAKEN BY SENATORS

Hon. Don Mazankowski (Vegreville): Madam Speaker, am I to take it then that the minister is ignoring absolutely the unanimous position taken by the distinguished members of the other place?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not aware of being called to a committee of the Senate on the subject. I will look into it immediately. I was not made aware of it this morning. I will see what I can do to accommodate the other place.

REQUEST THAT PASSENGER SERVICE BE CONTINUED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the Minister of Transport who has just informed the House that, if there is a shadow of doubt touching on what he is proposing to do with regard to VIA Rail, they will move as a government to remove that doubt. Will the minister explain to the House just why he chose to move retroactively to attempt to rectify a mistake he obviously made, as opposed to moving the other way by simply giving a break to the passengers who want to continue using those sections of VIA Rail he intends to discontinue, by carrying on the service?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure everybody here and everybody outside sees the reasoning of the hon. member. He is taking what I have said about a shadow of doubt on the procedural matter and aggrandizing it to the whole of the policy we announced on July 27. That is so obviously a deformation of the words and of the mind, I do not have to pay further attention to that. What I did say was—

Mr. Clark: Arrogance.

Mr. Pepin: You should know about it.

Some hon. Members: Oh, oh!

Mr. Pepin: What I was saying was that there is a debate or discussion about the need to register certain types of orders in

council under Section 64(1) of the National Transportation Act. I do not want to go into the details of it. I will do that this afternoon. There is a discussion on that, and I say that if there is a shadow of a doubt as to the need to register the orders in council we passed on August 6, we will do so according to the interpretation of this necessity or obligation. Is that clear?

SUGGESTED SAVINGS ON AIRPORT PROJECTS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is again directed to the Minister of Transport. He is speaking about a shadow of doubt. There is a great shadow of doubt as to why the minister has chosen this particular expenditure cut. Will the minister indicate to the House why he chose this priority as opposed to eliminating the sum of $50 million which will be spent on Mirabel this year alone to keep that airport open to service some one million passengers or, in the case of Pickering, has he given any consideration to selling out the $110 million investment he has there, which is simply raw land being used for no airport or rail travel whatsoever? Why concentrate on VIA Rail as his point of saving as opposed to eliminating Mirabel or Pickering?

• (1425)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the association of Mirabel and Pickering with the announcement of our rationalization of VIA is again a very far-fetched one.

An hon. Member: Do you not weigh your priorities?

Mr. Pepin: Assuming that mistakes were made in the past in Canada, which is debatable—and you can bring the *Bonaventure* into this if you wish—assuming mistakes have been made, does that imply that more mistakes should be made? I cannot understand the mentality behind a question of this kind.

I have explained repeatedly why we have made this decision on the rationalization of VIA. I have explained, ad nauseam, that there were some budgetary reasons for doing that. It seemed to the government that an expenditure of $535 million on railway transportation, at a time when some of these routes have become extremely infrequently used by the people to whom they are offered, has become indefensible.

The second reason for our decision is one of transportation policy. My friends are embracing VIA at this time. They are strangling VIA at this time. We think that the process we have adopted is one that will strengthen VIA in the very best interests of the corporation itself and in the very best interests of the people it serves. We are very strongly of that view.

Some hon. Members: Hear, hear!

Oral Questions

INCOME TAX

REQUEST THAT TAX LOOPHOLES FOR RICH BE CLOSED

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. In 1968 the Prime Minister promised Canadians a just society. Since that period the rich in Canada, in terms of their share of the national income, have got relatively richer and the poor have become relatively poorer. Last night, at a $175-a-plate Liberal dinner in Toronto, the Prime Minister promised to reverse this trend. After more than a decade of economic hypocrisy, why should Canadians believe him?

Some hon. Members: Hear, hear!

An hon. Member: Get up and answer.

Mr. Broadbent: The Prime Minister is obviously a little sensitive on the point. I will put the question more precisely in terms of factual information, and perhaps he will respond, as opposed to hypocritical attitudes, I say to his colleagues. Considering that just two years ago there were in Canada more than 3,000 Canadians earning over $50,000 a year and almost 200 Canadians who earned over $200,000 a year who did not pay one penny in income tax—many of them were no doubt at the dinner last night in Toronto—will the Prime Minister in the coming budget at least put an end to the tax loopholes which make this possible?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understand the hon. member is repeating a suggestion for consideration in the preparation of the budget, a consideration which we will look at. I know the hon. member always has some interesting figures.

If we take that into account, I wonder if the hon. member and his party will vote for the budget when it is brought down.

TAX TREATMENT OF LAND SPECULATORS

Mr. Edward Broadbent (Oshawa): Madam Speaker, it would be nice for a change if we could get from the Prime Minister or his smiling colleague, the Minister of Finance, some specific commitment, as opposed to the vague promises about fairness and caring and sharing, touching words which were used by the Prime Minister in his speech yesterday. "The Liberal Party is a party that cares and shares."

I will try another angle to demonstrate the hypocrisy of his claim about caring and sharing. Right now in Canada while 100,000 home owners are in serious jeopardy with respect to maintaining their homes, we have a tax system which permits people who speculate in land, thus contributing to the housing problem, to have only half the income so gained, taxed. Will the Prime Minister at least make these people pay taxes at the full rate just as the ordinary worker in Canada does?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, to use the hon. member's own words, he is asking for

specific commitments on this and the previous point. He does not want to hear about Liberal principles of caring and sharing. He wants specific commitments. He is somewhat experienced in these matters, and he knows that this type of specific commitment would be brought down in a budget, a budget which would have been read to the House today if we had followed our original plan.

Mr. Deans: Why isn't it?

Mr. Trudeau: I am asked why it is not. I think hon. members know the answer.

Mr. Deans: We are here. Why isn't it?

Mr. Trudeau: It isn't, because I had asked the premiers to meet me last week and the week before. The week before, when they said they could not meet me, I suggested we meet this week, and I postponed the budget to next week. After I had announced the postponement of the budget, they said they would not meet me this week but that they would meet me next week, which they are now doing. So we will have the budget in the week after.

An hon. Member: Why don't we have the budget this week?

Mr. Trudeau: An hon. member asks why we do not have the budget this week. I just gave the answer to that. If the hon. member reads the "blues", he will see it.

Madam Speaker: Order, please. I am not quite sure which question is being answered just now. There were several coming from the floor. The matter is being prolonged.

* * *

NATIONAL SECURITY

DEFECTION OF POLISH CONSULAR CLERK—INTERROGATION BY U.S. CENTRAL INTELLIGENCE AGENCY

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I have given notice to the Solicitor General, and I know he has now been briefed on reports from Toronto which indicate that on October 8 a clerk from the Polish consulate there, a Mr. Marek Ostaszewicz, defected to Canadian authorities with security documentation. The next day he and his wife were delivered by the RCMP, with the assistance of the Department of External Affairs, to the Central Intelligence Agency in the United States. This gentleman has been kept incommunicado ever since then while being interrogated by the CIA at Langley, near Washington, D.C.

Why would the RCMP deliver this man, who defected in Canada, to American security people, instead of interrogating him here themselves?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there are many inaccuracies in the statements of the hon. member—

An hon. Member: As usual.

Mr. Kaplan: —and I would be pleased to discuss the matter with him outside the House in his role as a Privy Councillor.

However, I know the hon. member would agree that it would not be in the public interest to give many details of the defection. I merely want to assure the House that Canadian interests have been fully respected in this matter.

DEFECTOR'S WISH TO OBTAIN POLITICAL ASYLUM IN UNITED STATES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my further information is that this gentleman particularly indicated that he would not and was not seeking political asylum in Canada. He did not want to speak to Canadian authorities. He wanted political asylum only in the United States, from the Americans. That has some very serious implications which should be discussed and debated publicly, not privately. I therefore ask the Solicitor General if he can tell us if these reports are true and, if so, if he knows of the reason why there was a very definite declaration that political asylum in Canada was not wanted?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I know the full story in this matter and have known it for several months. I think a discussion with my friend might be useful outside the House, but if he feels that that is not a proper way to proceed in the matter, I would be glad to keep the confidence myself.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FUNDING FOR EDUCATION

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is directed to the Secretary of State and I hope the Minister of Finance will listen as well. It has to do with the—and I say this as a compliment—with the increased funding of the natural sciences, medical research, and, to a much smaller degree, the social sciences in Canada, which is an indication of the aim of the government to increase its spending to 1.5 per cent of the gross national product on research, job creation, and innovation in Canada. That is the kind of investing in Canada's future which we can all support.

Recognizing that the only real resource Canada or any country has is its mind power, the brain power of its people, will the minister now put to rest the fears of students and academics that there will be large scale cutbacks in established programs financing, which would lead to a disastrous decline in the education and training of young Canadians, and a further decline in Canada's already shameful productivity, and increase funding instead of decreasing it?

Hon. Gerald Regan (Secretary of State): Madam Speaker, the hon. member is in the unfortunate position of being a victim of the propaganda of the Conservative Party. The Conservative Party has distributed, to the campuses of the

universities and to some of the community colleges of this nation, propaganda outlining that the government intended to cut $1.5 billion from post-secondary educational assistance. This, of course, is totally inaccurate, and is an effort by the Conservative Party to try to get a tiny piece of the support of the students, which it has never been able to achieve in the past.

Some hon. Members: Hear, hear!

Mr. Regan: I want to say to the hon. member that this party and this government have traditionally been the strongest supporters of post-secondary education and students, and that we intend to continue to be so.

REQUEST FOR INCREASED FUNDING

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I think we can take a great deal of comfort from the fact that this is pure rumour and speculation, regardless of the source, which I suspect is not the Conservative Party but, rather, is information received from the academics.

Is the government, then, prepared to increase funding respecting this vital educational matter so that not just the annual wage increases of the academics but also the actual plants—the universities, campuses—can be upgraded, and the equipment needed can be bought, so that students can become well schooled and well able to handle the urgent needs of a future vital Canada, which the minister espouses?

Hon. Gerald Regan (Secretary of State): Madam Speaker, I am heartened at this expression of support for post-secondary education by the hon. member, and I hope he will try to influence those around him.

In relation to his question I suggest that he, as a member from the province of Ontario, might well direct his remarks to Queen's Park, because during the years since 1974-75 the federal government has done exactly what he has called for. We have increased the federal share of the total cost of post-secondary education from about 45 per cent to 59 per cent; whereas in the same period, according to statistics I take to be accurate, the share of the provincial Conservative government has been diminished from 34 per cent to 21.8 per cent.

Some hon. Members: Shame!

Mr. Regan: If there is any danger in relation to the post-secondary educational system in this country, particularly in the hon. member's province, but in many of the others also, it is a result of a diminution of effort by the provincial governments. I hope the hon. member will direct his remarks to them so that they might reverse that trend.

Some hon. Members: Hear, hear!

[*Translation*]

PENITENTIARIES

INQUIRY RESPECTING CONSTRUCTION OF DETENTION CENTRE AT DONNACONA, P.Q.

Mr. Rolland Dion (Portneuf): Madam Speaker, my question is for the hon. Solicitor General of Canada. The minister announced officially on April 4 last that the cabinet had chosen the city of Donnacona, in the Portneuf riding, as the site of a new maximum security institution for the Canadian correctional service. Can the minister tell us what progress is being made and when the Department of Public Works will start building this institution?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I can assure the House that everything is on schedule regarding the detention centre to be built in Donnacona, and that preliminary work will start in the fall of 1982.

* * *

• (1440)

[*English*]

NATIVE RIGHTS

CLAIMS SUBMITTED BY BRITISH COLUMBIA INDIANS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. On October 16, 1980, the Nuu Chah Nulth Tribal Council on the west coast of Vancouver Island submitted a comprehensive aboriginal claim to the minister. Over a year has passed and to date the Nuu Chah Nulth people have not received word as to whether or not their claim has been accepted. On November 16, 1980, the Haida people of the Queen Charlotte Islands submitted a claim. They have not received word as to whether their claim has been accepted. A leaked memo, over the minister's signature, says that priority lands claims settlement should be given to areas where the government urgently requires a settlement, in other words, areas slated for massive economic development and where people have to negotiate—

Madam Speaker: Order. Every minute I expect the question to come, but it is a new sentence in the preamble. Will the hon. member put the question?

Mr. Manly: Will the minister inform the House whether this policy is the reason that he has not informed the Nuu Chah Nulth people and the Haida people as to whether their claims have been accepted for negotiation?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): No, Madam Speaker.

Mr. Manly: Madam Speaker, after a year the people would really appreciate an answer.

Oral Questions

NEGOTIATION OF YUKON LAND CLAIMS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I have a question on a related issue. The Council of Yukon Indians reports that there has been some progress in negotiations with the government regarding their land claims. Unfortunately, as these negotiations reach a crucial stage, the Indian people will not have enough money to continue. Is the minister still committed to these negotiations? Has he submitted a request to Treasury Board for more funds? Since the moneys used are advances on settlement moneys, will he assure the House that the necessary funds will be provided so that the Yukon Indians can successfully conclude these negotiations?

Mr. Nielsen: And will he keep Jack Austin out?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would inform the hon. member that the Yukon Indians met with me yesterday. I think they are relatively satisfied with the result of the meeting. Out of this fiscal year they have $800,000 to draw on to assist them in their research for the negotiation of their particular claim. I indicated to them that, since they had already intruded on that to the extent of $300,000 that was coming to them, we would try to push up, if possible, the remaining $500,000 to enable them to conduct the negotiations that are to recommence next week. I also indicated that I would talk to some of my colleagues to assess the need for additional moneys and see what could be done. Yesterday I could make no commitment in that regard. The hon. member is quite right. That claim is proceeding very well, as are most of the comprehensive claims north of 60.

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[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER GOVERNMENT IS COMMITTED TO SELLING NORDAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Transport and deals with a matter raised previously that he must remember. Because two years have gone by, I believe, since his predecessor made the commitment to privatize Nordair, can the minister tell us today whether he still feels bound by the commitment made by his predecessor, and if so, when this company will be turned over to the private sector?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, everyone knows how much I was in favour of a merger between Nordair and Quebecair, and I worked actively to promote this merger for several months. At some time last summer, a few months ago, when my hon. friend was very busy, I imagine, we came very close to achieving this merger. At that time the Quebec government intervened for some reason and decided to make the project abort by injecting $15 million into Quebecair. This resulted in a legal problem since the authorization of the Canadian Transport Commission is required for the approval of such changes of ownership among the shareholders of an air transport company. This decision is now in the hands of the Canadian Transport Commission.

Mr. La Salle: Madam Speaker, I should like the minister to tell us first whether he still feels bound by the commitment of his predecessor, whether the government still intends to privatize that company? Second, does the fact that the Quebec government has invested a few dollars mean that the intention of the government, as expressed by the minister, is now a thing of the past because the Quebec government has become involved in the matter?

Mr. Pepin: Madam Speaker, personally my intentions have not changed but, of course, if other parties change the rules of the game, naturally I have to take into account what they want. So, as far as I am concerned, I am still of the same mind. I remain convinced that merging those two groups would be an important step in rationalizing the Canadian air industry. I am still very much convinced of that, but I must also wait for the decision of the Canadian Transport Commission to see whether or not the transactions that have taken place comply with the regulations.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REVIEW OF MANDATORY SUPERVISION POLICY

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Solicitor General. What is the minister doing to review or change the concept of mandatory supervision for convicts in view of two very serious current matters? The first is the brutal murder of a little girl in Nova Scotia by Joseph Odo while this man, whose homicidal tendencies were well known, was on mandatory supervision. Second is the apparent failure to suspend the mandatory supervision of Clifford Olson who subsequently was charged with several murders in British Columbia. Is the minister taking any review action in view of incidents like these?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I indicated shortly after becoming Solicitor General that I was dissatisfied with the mandatory supervision policy which is really the result of an existing statute which cannot be directly changed outside this House. I asked for an interdepartmental study to be conducted. That study was conducted. It has recommended some far-reaching changes to mandatory supervision.

When I got the study in July, I circulated it through the criminal justice constituency across the country. I indicated that I would wait until the end of October for their comments on these recommendations. I expect to close the book on receiving comments from these groups shortly. I hope that within a few months I will be able to go to cabinet with

proposals for change and for improving the mandatory supervision system.

When the hon. member talks about those two particular cases, I have to remind him that, no matter what system we have, there is an element of unpredictability about human nature and behaviour. Whatever system we have of conditional release will always be subject to the possibility of being unable to predict the behaviour of certain dangerous individuals.

OPERATION OF SYSTEM

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, it is all very well for the minister to point out these truisms or cliches, and what he says may be true. However, it is also true that the system, flawed as it is, if allowed to work properly is still offering some safeguards to the public. My concern is that the community assessment report with respect to Olson was not followed. Subsequently the crimes for which he was charged were committed. If the system were allowed to work it is possible that, during the relevant times, there would be a lot of changes. On whose conscience is this going to rest? Is the minister just going to hide behind the system, or does he feel an obligation to look into what happened in these cases?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not aware that the system was not followed in either of those two cases. I will look into them. I would be happy to hear more about them from the hon. member.

* * *

HUMAN RIGHTS

REPORTED PLAN TO ESTABLISH CIVILIAN INTERNMENT CAMPS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the same minister. For the past year we have been treated to the repentance of the government for the treatment of the Japanese during World War II who were put in internment camps. At the same time that the Prime Minister and the Minister of Justice were justifying the charter of rights so that we would not have a repeat performance of that, they were passing an order in council to empower the Solicitor General "to establish, administer and operate civilian internment camps". I would like to ask the Solicitor General, who will be the customers next time?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there are no such orders in council. What the hon. member is referring to is the design of a plan for dealing with national emergencies in Canada. Under that plan if we were dealing with a situation of invasion of the country, or some other extreme emergency, I think it would be appropriate, and the government would be criticized for failing, to have plans to operate in situations such as that.

• (1450)

TERMS OF STANDING ORDER PUBLISHED IN "THE CANADA GAZETTE"

Mr. Benno Friesen (Surrey-White Rock-North Delta): I shall refer the minister to *The Canada Gazette* dated June 10. Order in Council SR 1 TR 81-76 established the clear difference between an emergency situation and war. No wonder the member from Ottawa-Vanier calls reading the Charter "a hallucinating experience". Does the minister now want to institutionalize the War Measures Act? The same order in council empowers the minister to empty the prisons and make room for civilians. Does the minister intend to free the people convicted of a criminal charge and to make room for people who have fallen into disfavour?

Hon. Bob Kaplan (Solicitor General): If this country were invaded by foreign powers and the government and the security service of Canada were aware of the presence of illegals or foreign agents of that foreign power in Canada, does the hon. member suggest that nothing should be done about it? Should they be allowed to remain at liberty in positions in the country?

* * *

[*Translation*]

ENERGY

INCREASE IN ELECTRICITY RATES IN QUEBEC—GOVERNMENT POSITION

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the hon. Minister of Energy, Mines and Resources. Not long ago the minister published a brochure under the title "Do your heating bills make you shiver?" Well, with the indirect tax the social democratic government of Quebec has put on electricity, a lot of Quebecers are going to shiver this winter, especially those with electric heating, and the poor will suffer a lot more than the rich. During negotiations with Quebec on his $800 grant program for single-family dwellings, was the minister informed by his Quebec counterpart that there was going to be a rate increase of 20 per cent in 1982, and could the minister tell the House whether he accepts part of the responsibility for this increase or this indirect tax on electricity in Quebec?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the rates charged by Hydro-Quebec are quite obviously the exclusive responsibility of the government of Quebec. As the hon. member pointed out, several weeks ago the Quebec government decided to raise these rates very substantially. Obviously, the Government of Canada was not consulted, and I have had no word from my counterpart on the matter. The decision is the exclusive responsibility of the Quebec Department of Energy and the Parti Québécois government responsible for that department. As far as we are concerned, we shall continue to give grants of up to

$800 for conversion from oil to natural gas or to electricity wherever this is feasible.

* * *

[*English*]

IMMIGRATION

VISA REQUIREMENT FOR INDIAN NATIONALS VISITING CANADA

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Would the minister tell the House why, having failed to supply adequate immigration services in India and in Canadian ports of entry, thus causing an extraordinary backlog of Indian nationals waiting to visit or seek refugee status in Canada, he chose to resolve the problem he created by a measure which discriminates against the largest member of the Commonwealth, requiring visas for all Indian nationals wishing to visit Canada? Would the minister tell us why?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): If the hon. member were to look at the decision we took a week ago relating to the problem faced at ports of entry in Canada, with large numbers of people coming from India claiming refugee status, he would realize the only recourse we have, after consultations with the Indian community and with the Indian government, would be to provide some review of their status before arriving in Canada to save them from being victimized by very unscrupulous agents in India who were giving them false information about what they could expect when they arrived in Canada.

The purpose is not to discriminate; far from that. It is to make sure that people would be treated equally and fairly under the immigration system, and that the refugee system itself would be protected against that kind of abuse. That was the reason for the decision. I believe it would be wrong for the hon. member to make false charges of discrimination when, in fact, what we are trying to do is to protect a system of immigration which is the fairest in the world.

Some hon. Members: Hear, hear!

LOCATION OF CANADIAN IMMIGRATION SERVICES IN INDIA

Mr. Dan Heap (Spadina): As a supplementary I would ask the minister, in light of the fact that he does not seem prepared to rescind his decision, will be consider relocating some of the immigration consular staff within India, making our service more geographically available to all parts of India, and will he take the necessary steps to ensure that all bona fide visitors to Canada can obtain visas upon arrival at Canadian ports of entry?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to correct some of the so-called facts that the hon. member mentioned. First, one receives a visa in India, not when one arrives in Canada. Second, we have already allocated through the offices of the Secretary of State for External Affairs additional officers to go to India, and we have improved the facilities of the High Commission Office there. That was done in consultation with the High Commission Office and the Indian government, who indicated their concern about the problem of a number of people arriving in Canada claiming false status and, therefore, giving credence to a separatist movement in India.

* * *

AUDITOR GENERAL

OPINION ON GOVERNMENT'S DEFICIT POSITION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I direct my question to the Minister of Supply and Services in his capacity as Receiver General of Canada. Did the minister read, prior to transmitting it to the Minister of Finance, the report of the Auditor General that contains the first qualified opinion in the history of Canada on the propriety of the government accounts, indicating there has been an understatement of the government's deficit position by a total in excess of $8 billion, an 8 per cent increase in the cumulative deficit of the government? Did he read that in the report? And when he transmitted the report to the Minister of Finance did he make any recommendations to him?

Hon. Donald J. Johnston (President of the Treasury Board): The points raised by the Auditor General are the same that have been made in the past, as the hon. member for Nepean-Carleton knows. What is significant is that the Auditor General has stated that the accounts have been prepared in accordance with the stated principles which have always governed the preparation of the accounts. While it is true that the finger is pointed at certain accounting practices which persisted for many years, I would also point out there are many other areas which have to be addressed.

We have a study under way through the office of the Comptroller General to examine different ways whereby the accounts of Canada should be properly presented. I would point out that, for example, while the hon. member for Nepean-Carleton is concentrating on liabilities which he is often wont to do, he neglects to point out that many assets of the Government of Canada—accounts receivable, gold, land—are not in fact recorded either. Look at the Accounts of Canada in perspective and let us not try to exaggerate the situation, which is one that has already been noted in the past.

REQUEST THAT ACTION BE TAKEN IN BUDGET

Hon. Walter Baker (Nepean-Carleton): I am not the one looking at the report; it is the Auditor General of Canada who has looked at the statement of accounts. The Auditor General indicated the government accounting is not valid and is not in accordance with normal accounting practices. There are reservations. My question to the Receiver General is clearly on whether or not that will be corrected.

I want to direct a question now to the Minister of Finance. With respect to his upcoming budget, can the House be assured now that the Minister of Finance is aware of that opinion, that in terms of the proper statement of the Accounts of Canada for the purposes of the budget, that that change that has been pointed out by the Auditor General, apparently now for the second year in a row, will be accounted for in the budget that will be presented in this House on November 12?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the President of the Treasury Board stated, the comments of the Auditor General were made last year. There were explanations provided as well, so that no member of the public can be misled by the way the accounts are presented.

* * *

[*Translation*]

HUMAN RIGHTS

CHARTER PROVISIONS RESPECTING PROVINCIAL LEGISLATIVE POWERS—INQUIRY WHETHER GOVERNMENT WILL RETURN TO 1978 PROPOSALS

Mr. Louis Duclos (Montmorency-Orléans): Madam Speaker, my question is directed to the Right Hon. Prime Minister. He would probably recall that Bill C-60 on Constitutional Reform, which he tabled in Parliament in the summer of 1978, provided that provisions of the Charter of Rights and Freedoms that affected the legislative authority of a province would not become effective before the charter was adopted by the province in question. Could the Prime Minister tell the House whether he would be willing at next week's meeting on the Constitution to go back to the proposal he made in 1978 and offer the provinces, as a compromise solution, what is called "an opting in clause" regarding the provisions of the Charter that affect their legislative authority? If the answer is no, could he tell the House why what he found acceptable three years ago is no longer acceptable today?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, Bill C-60 was entirely prepared by the Liberal government at the time, with the help of the caucus, and we were tabling it, at that time, as legislation initiated solely by the government.

The bill now being considered in the House is the result of several months of discussions, with the participation of the provinces represented by their attorneys general, and the Attorney General of Canada, so that the bill now before the House, whose passage we are seeking, is the result of several months of joint activity by the federal government and the provinces, and has also been substantially amended and improved thanks to additions by the Progressive Conservative Party and the New Democratic Party. It is therefore a mistake to compare the two bills. In one case we have a bill that was strictly unilateral, to which we were asking the other parties to give their approval, and in this case, we have a bill that is the result of months of discussion between the provinces, the federal government, and opposition and government members.

* * *

• (1500)

[*English*]

PETITION

MR. LAWRENCE—REQUEST FOR LEGISLATION RESPECTING PUBLIC SERVANTS' RIGHT TO STRIKE

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the one hundred and first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Durham-Northumberland (Mr. Lawrence) and finds that it meets the requirements of the Standing Order as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I direct the usual Thursday question to the government House leader and ask him what the business of the House will be for tomorrow and as far as he can go into next week? I understand that Monday will be an opposition day, as he stated yesterday. I suggest to him that we would be prepared to utilize tomorrow for cleaning up some small housekeeping measures if that is his desire.

Mr. Pinard: Madam Speaker, as far as today is concerned, we will deal with Bill C-48. We had a useful House leaders' meeting this morning and discussed a few bills. I understand that one of them will not be discussed tomorrow because it is impossible for the hon. member's party to deal with it. Therefore, I think we will wait until another Friday to dispose of uncontroversial business and tomorrow go on with Bill C-48, which is a major bill and which will be approved, we hope, very soon, if not tomorrow.

[*Translation*]

Next week we will continue to deal with Bill C-48 aimed at Canadianizing our petroleum and gas industry. Monday will indeed be an opposition day and after that, as I have just said, we will go on with Bill C-48, if necessary.

Now then, if we were to complete the study of that bill this week, tomorrow, next Tuesday or at any time before Thursday next week, the next bill will be Bill C-78 to amend the Canada Labour Code, which is very urgent and very important. All that of course is subject to notice to the contrary should the government decide that it is imperative that the debate on the Constitution be concluded. In that case, we would see to it that the opposition parties are given proper notice.

[*English*]

Mr. Deans: Madam Speaker, I have a point I should like to put to the government House leader. For two Fridays in a row we have been making an effort to clean up some so-called non-controversial bills. As a result of Thursday meetings, in both instances I have made arrangements for members to be present to deal with them. I would ask that we make our minds up one way or another: Are we going to deal with them on a Friday, and which Friday? Then I can ask my members to be here and not have to ask them to change their plans every week.

Mr. Pinard: Madam Speaker, I think the concern of my hon. colleague is legitimate. For two weeks we have tried to deal with some uncontroversial business; he has agreed to some of it and the Conservative Party has agreed to some items. It was difficult, however, to get the agreement of the three parties on the three pieces of legislation concerned. Since only one of the three bills we have discussed could be proceeded with tomorrow, I thought it was preferable, as I had a commitment from the Tory House leader, to deal with the other one on the following Friday and tomorrow not go on wasting our time but try to terminate debate on report stage of Bill C-48, on which we have already spent a lot of time. Subject to circumstances the following Friday we could try to agree on at least three bills that we could approve, using one speaker per party.

I appreciate the concern expressed by my colleague which is valid, but he must understand that in our caucus, after a House leaders' meeting, I have to have consultations and it is only on Thursday at three o'clock that according to practice I am in a position to confirm if we can go along with the discussion that we had in the previous House leaders' meeting.

Mr. Deans: Madam Speaker, is it not possible for us to decide today that a week Friday, subject only to matters which may arise in the interval, we will deal with certain pieces of legislation, rather than wait until the day before the Friday that we are supposed to be dealing with it?

Mr. Pinard: I think this is a constructive suggestion, Madam Speaker; nevertheless, it is always difficult for a government to agree one week in advance, not knowing how debate will evolve in the House. We have spent many, many days on report stage of Bill C-48. If debate were to continue to next Thursday and not terminate, it will be difficult for the government to agree to switch to other legislation, when it would become more and more urgent. It is impossible one week in advance to make a commitment. On the other hand, it is surely possible to plan and try to come to some agreement. I will take note of the suggestion made by the hon. member.

Mr. Nielsen: Madam Speaker, as the government House leader knows, we have offered to deal with Bill C-45, the pest control legislation, tomorrow and let it go with one speaker. We have also agreed to deal with Bill C-25, the radiation emission legislation, with one speaker. Those are bills that he could have. I do not think that there would be any difficulty for the NDP in dealing with those matters tomorrow.

I have suggested that if we were to change the date of our House leaders' meeting to Tuesday, followed by caucus, we could have decisions for him which I am sure would streamline and make the government's conduct of the business of the House more efficient. By Thursday he would have full knowledge of any agreement that could be reached and legislation that could be dealt with.

Mr. Pinard: First of all, Madam Speaker, my hon. colleague mentioned Bill C-45 and Bill C-25. We discussed dealing with those two bills tomorrow in our discussion this morning. We also mentioned Bill C-84, to amend the Small Business Loans Act. This bill is urgent, for technical reasons, as it will increase the amount of loans to small business in this country. He knows very well that this party is not in a position this afternoon to confirm that we could get Bill C-84 tomorrow. When he mentions Bill C-25, it is the NDP that cannot guarantee that we will get that bill tomorrow because they have more than one speaker and they have asked us to deal with it as the third item. Therefore, I end up, with just Bill C-45. This is not sufficient.

• (1510)

The reason I think it would be more useful not to deal with those three bills is that I do not have agreement to deal with the three of them. We end up with only one bill. I prefer to use tomorrow to deal with Bill C-48 for the reasons I have mentioned.

The hon. member talks about House leaders' meetings. This is very useful sometimes, but it has also demonstrated that it is not always necessary when we do not end debate on major pieces of legislation. In the past, it was not necessary to meet on a Tuesday to determine the business of a Friday. Since I have been House leader, we have always had our meetings on Thursdays, and so far we have been successful in approving 65 bills in this House in this session. Therefore, I think if we have good will on both sides, we can still meet on Thursday and get some legislation passed by this House.

Mr. Robinson (Burnaby): Madam Speaker, I have a point of order on House business. Last week at this time I asked a question of the President of the Privy Council concerning a bill which Canadian women, in particular, have been awaiting a long time, Bill C-53, the sexual offences legislation. At that time, the President of the Privy Council informed me that he was prepared to bring this bill forward on Friday of this week, namely, tomorrow. If he could reach an agreement with the two opposition House leaders, and that following one speech each by the opposition parties this bill would be referred to the Standing Committee on Justice and Legal Affairs.

I want to say that we have agreed in the past, and we will certainly continue to agree, that this bill should be referred to the justice committee quickly. We are prepared to put up one further speaker on the bill and see it go forward, as not only have many individual Canadian women demanded, but also all

of the major national women's organizations. It is long overdue that this bill, which would redefine rape as a crime of violence and not as a crime of passion, is brought into the statute books of this country.

I want to ask the President of the Privy Council why, in his discussion of bills which might have been brought forward tomorrow, he was silent on the question of Bill C-53, the sexual offences legislation. Since he seems unprepared to bring the bill forward tomorrow, will he not give us an assurance that next Friday the government will bring forward Bill C-53 for the conclusion of second reading debate in order that it can be referred quickly to the justice committee, where we can make the needed amendments and where Canadian women will finally have decent rape laws?

Some hon. Members: Hear, hear!

Mr. Pinard: The hon. member mentions Bill C-53, and I welcome his offer to deal with it expeditiously. On the other hand, he says that I never mentioned it. He should know that what is discussed in House leaders' meetings is to stay in House leaders' meetings, so I wonder how he can conclude that I did not mention it.

In any case, I welcome his offer and I will take that into consideration; but I am also a practical man and know very well that in the justice committee there are bills which are under consideration at this time. Even if we were to refer Bill C-53 to the justice committee on this Friday or next Friday, it is most unlikely that it could be dealt with during the next few weeks.

We may come to an agreement at a House leaders' meeting to deal with this bill or other bills quickly, but I can assure the hon. member that I have no reason to delay the study and consideration of Bill C-53 by this House. However, if he is a practical man too, he will realize that he would be welcome to help accelerate the debate in the Standing Committee on Justice and Legal Affairs, of which he is a member and where some legislation is pending.

Mr. Robinson (Burnaby): Madam Speaker, I am well aware of the legislative timetable in the Standing Committee on Justice and Legal Affairs. That is no excuse for not concluding debate in the House. In view of the offer of the government House leader, I wonder whether we might hear from the House leader of the Conservative Party concerning the attitude of his party. Are they prepared to listen to the concerns of Canadian women and expedite debate on this bill at the earliest possible opportunity?

Mr. Lawrence: We think it is urgent. We think it should be debated.

Mr. Robinson (Burnaby): Say "yes".

Mr. Nielsen: We think it is important and urgent as well, Madam Speaker. I am always ready, willing and able, as are all hon. members on this side of the House, to listen to the concerns of the Canadian women. I might say something, too, about them.

Mr. Waddell: Madam Speaker, I would like to ask the President of the Privy Council a question. In view of the findings of the Supreme Court of British Columbia in the case that I am taking against the government and the cabinet, including the minister, is the minister now prepared to bring to the House amendments to the Northern Pipeline Act to make legal the orders in council which were put through by the government instead of legislation? I am aware that the court has not completely ruled on the case; but to avoid further litigation and further appeal—it is now in the court of appeal and, no doubt, appeals will go to the Supreme Court of Canada—I wonder if the President of the Privy Council could indicate whether the government has considered the possibility of bringing in legislation to deal with the order in council and make an amendment to the Northern Pipeline Act—

Some hon. Members: Order.

Mr. Waddell: —in view of the developments in the United States, as well.

Madam Speaker: I am afraid that I should not have allowed the hon. member to continue. He was not asking a question about government business, but a question about what the government might bring forward as government business in the future. That question was not altogether in order.

The hon. member for Yukon on a question of privilege.

* * *

PRIVILEGE

MR. NIELSEN—RIGHT OF COMMITTEE CHAIRMEN TO ANSWER QUESTIONS IN HOUSE

Hon. Erik Nielsen (Yukon): Madam Speaker, I will be very brief. I served Your Honour with the required notice under the Standing Orders that I intended to raise this question of privilege today arising out of yesterday's exchange between the hon. member for Annapolis Valley-Hants (Mr. Nowlan), the Leader of the Opposition (Mr. Clark), the hon. member for Northumberland-Miramichi (Mr. Dionne), who I regret is not in his seat, and the government House leader.

An hon. Member: He just came in now.

Mr. Nielsen: The exchange is to be found, including the comments of the Chair, on pages 12267 through to 12278 of yesterday's *Hansard*. I see that the hon. member for Northumberland-Miramichi is now back in his seat.

I do not intend to submit any lengthy argument to Your Honour because that argument was very ably, logically and articulately made yesterday by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). However, I do wish to highlight one or two points which I submit should be taken into consideration before Your Honour comes to your ruling, both on the question itself and the substantive motion which I

intend to move in support of this question should Your Honour find it to be a prima facie case of privilege.

The first point I wish to draw to Your Honour's attention is that the question dealt solely with the right of a chairman of a standing committee of this House to answer questions. It did not deal at all with the discretion that he is allowed under our rules to reply or not to reply. That was not the question at all. We all know that questions directed to ministers or chairmen need not be replied to at all. We cannot question the answer. That was not the problem yesterday. A review of those pages of *Hansard* to which I referred the Chair will clearly show that the hon. member for Northumberland-Miramichi, in his capacity as chairman of the Standing Committee on Transport of this House, attempted to rise in order to respond to the questions put to him, but he was usurped by the government House leader.

In that respect, I would specifically like to draw the attention of the Chair to page 12269 of *Hansard* where, immediately following a question by the Leader of the Opposition, an editorial note in italics appears as follows:

And Mr. Dionne (Northumberland-Miramichi) and Mr. Pinard having risen:

There can be no doubt, quite apart from the very manifest observation on this side of the House, that the hon. member for Northumberland-Miramichi was trying to respond to the questions; at least, he was trying to gain the floor. As we subsequently learned, he did so in his capacity as chairman of the standing committee to discharge his responsibilities to his committee members who elected him to that office in the first place.

Therefore, I would like to emphasize that it is not a question of insisting on an answer. We know we do not have that right. However, I submit to Your Honour that the chairman of any standing committee of this House has a right to answer in his capacity as chairman of that standing committee.

• (1520)

I do not think it need be gainsaid that it has long been our practice—it was the practice of your immediate predecessor, the Hon. James Jerome, as it was the practice of his predecessor, the Hon. Lucien Lamoureux—to recognize on repeated occasions the right of chairmen of standing committees to respond to questions being put to them, from whatever side of the House they were put. I do not think that right can be questioned.

In this instance, the chairman of the Standing Committee on Transport, the hon. member for Northumberland-Miramichi (Mr. Dionne), as *Hansard* will show, rose three times. He was trying to discharge his responsibility as chairman of the Standing Committee on Transport to answer the questions put to him. He was making a really genuine effort. His right to respond is the matter in question here. It is not his right to refuse to respond.

The other points covered by my colleague, the hon. member for Wellington-Dufferin-Simcoe, I would especially commend for your favourable consideration. The point has been made that if we were to get into the practice of allowing ministers of the Crown to cut off at the pass chairmen of standing committees who want to discharge their responsibilities, who want to inform members of this House as to activities of committees, whether it be the government House leader or any other minister of the Crown, it would place in serious jeopardy the integrity of the whole standing committee system of this House.

I remind you, Madam Speaker, that committee chairmen are elected officials of committees. They are not appointed by the government. The government has no control, except a reference, over the conduct of members of that committee. It is the chairmen who exercise that control, authorized by their committee members. It is not authorized by the government and it is not controlled by the government. I make that very strong submission to you.

The issue here is the independence of the committee system and the independence of committees from control by this House. Even more importantly, it is the independence of the chairmen of those standing committees, elected by members of those committees, to report on behalf of all committee members to the House and to answer questions in the House. Just to sum up, it is a question of the independence of committee chairmen to respond to questions. Whether or not they choose to answer those questions is within their discretion.

Because of the very able and strong argument made by the hon. member for Wellington-Dufferin-Simcoe yesterday, to which the hon. member for Annapolis Valley-Hants contributed, I believe the matter is of sufficient importance, since it affects the privileges of all members of the House, and because of the dangers it presents to the continuation of that independence and integrity of the standing committee system, to be referred to the Standing Committee on Privileges and Elections, for a complete examination of the subject matter of the exchange that took place yesterday.

Therefore, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the matter of the questions addressed on Wednesday, October 28, to the hon. member for Northumberland-Miramichi, the Chairman of the Standing Committee on Transport, and the actions of the President of the Privy Council (Mr. Pinard) in taking the floor instead of the hon. member, be referred to the Standing Committee on Privileges and Elections, to enable the committee to determine whether it is derogatory to the privileges of this House to allow the President of the Privy Council, or any other minister, to claim the right to speak to the House on behalf of the chairmen of standing committees, and reply to questions about the in camera deliberations of committees, if ministers choose to do so.

[*Editor's Note: Mr. Dionne rose in his place.*]

Mr. Pinard: *Madame le Président—*

Some hon. Members: He rose first.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I had an opportunity yesterday to give you an explanation. I know that Canadians are anxious to hear that Bill C-48 has been adopted. I would suggest that the

question is unfounded and that we should not waste any more of the time of the House.

[*English*]

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, since this question of privilege has been brought before the House today, I have two or three brief comments to make but I will not pursue them further. However, I would ask, if it is to be pursued further, that we have a fuller explanation of the comment made by you, as reported on page 12267 of *Hansard*, which reads:

> Order, please. The President of the Privy Council is authorized to answer questions if he so chooses on questions of that nature.

I want to make it clear, Madam Speaker, that I did in fact rise in my place. I was prepared to answer the question. I was able to do so, I think, in the first instance rather than in the last instance.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, this is a matter of considerable importance, and whether it is referred to the committee or not, I think it must be dealt with.

The question whether or not a member who is chairman of a committee is entitled to answer directly and without interference is of vital importance to the operations of the House. I think it is understood by everyone in this House that there is a difference between a question put to a member of the Privy Council or to a member of the cabinet, the right of a more senior cabinet minister to rise and answer a question and a question put to a private member who, in his or her responsibility as chairman of a committee, is asked to comment on a matter that is legitimately before a committee.

In looking over the precedents that I can find, I do not believe there is anything to justify interference by any member of the cabinet in the right of a private member who has been asked a question and who is legitimately entitled to answer it. Nowhere in our precedents can I find where a cabinet member, a minister, the President of the Privy Council or anyone else is entitled to pre-empt an individual private member.

I hope the Chair will rule that way. I hope that you, Madam Speaker, will simply rule that it is appropriate to ask, it is appropriate to answer; that it is inappropriate for any member of the House of Commons to attempt to gain the floor to answer a question addressed to someone other than someone within the cabinet. If the Chair can rule in that way, I will be delighted. If, however, you feel that the matter is necessary to be reviewed outside of the House and then referred back, I would support the motion of my colleague, the House leader for the official opposition.

Madam Speaker: Has the hon. member for Northumberland-Miramichi (Mr. Dionne) completed his intervention? He asked me to clarify something I said yesterday. I can tell the hon. member that I will clarify what I said when I make my ruling, but if he has some arguments to offer, I would be glad to hear him. I have to tell the hon. member that I shall not explain myself until I make a ruling, as I do not want to rule today but will reserve my decision on this matter, if he has a few arguments to advance which he has not yet had a chance to do, I will hear him now.

Mr. Dionne (Northumberland-Miramichi): No, Madam Speaker. However, I do want to make it clear that I was not in any way casting any reflection on what you said, because I know that in the heat of question period, and with much noise in the House, it is sometimes difficult to hear anything. I simply made that statement following what the House leader of the official opposition had to say on his question of privilege. I think he has made the arguments I would have made so I will not go into it in any further detail.

● (1530)

Hon. Marcel Lambert (Edmonton West): Madam Speaker, on this particular question I think it comes down to the point that when an hon. member asks a question and there are two members getting up, as was the case yesterday involving the hon. member for Northumberland-Miramichi (Mr. Dionne) and the President of the Privy Council (Mr. Pinard), who had not been addressed but volunteered to stand, it is up to the Chair to make a choice. There is no way that the Chair should decide that other than that the member who was asked the question should answer. There is no impediment whatsoever in the way of a chairman of a committee replying to questions relevant to procedures of that committee. It is an established rule of this House that a chairman of a committee may be asked questions relevant to the procedures of the committee.

I think on serious reflection that the President of the Privy Council is not the man to determine what is happening in a committee and that the person who was being asked was being asked in his proper capacity. If he says he will not answer, as a minister can do, that is the end of it. Beyond that there is no cabinet minister, not even the Prime Minister (Mr. Trudeau), who can, shall we say, usurp the function or position of a committee chairman.

Madam Speaker: May I ask the hon. member if he will help the Chair by answering this query I have in my mind. If the hon. member will read the questions as they were phrased yesterday by the hon. member for Annapolis Valley-Hants (Mr. Nowlan) and the Right Hon. Leader of the Opposition (Mr. Clark), he will find that there might be a double interpretation. Two members having risen in order to answer the question, in order for the Chair to decide who is to answer the question the Chair would have to interpret the question. Would the hon. member feel that the Chair has to go so far as to interpret the question?

Mr. Lambert: Madam Speaker, I speak subject to correction, but if memory serves me correctly the chairman of the committee was asked whether he had sought permission from the Minister of Transport (Mr Pepin) for the expansion of a question which had been proposed. The President of the Privy Council sought to, and did, intervene. Ultimately the answer

was given "yes", the chairman had asked the minister that particular question. As a matter of fact, if the chairman of the committee does not understand the question he has the same right as a minister to ask the hon. member questioning for clarification. I do not think it is up to the Chair to interpret the question.

Madam Speaker: Is the hon. member for Yukon rising to speak twice on the same question of privilege?

Mr. Nielsen: Madam Speaker, in order to assist the Chair, since it was I who raised the question in the first place, I should like the opportunity to respond very briefly to the question you just put to the distinguished former occupant of your high office, the hon. member for Edmonton West (Mr. Lambert).

My immediate answer in respect of the interpretation of questions would be that in my opinion, no, it is not the Chair's job to interpret questions. But may I suggest, with the greatest respect, it is the Chair's job to note to whom the question is directed, and it is the Chair's job, in my respectful submission, to recognize the established precedent in this place, that it is proper and within our practice for chairmen of standing committees to respond to questions concerning the affairs of those committees. That is not the jurisdiction of the House. All the House does is make references to committees. That is the information we on this side were seeking yesterday during the question period process, whether such a reference had been sought.

The President of the Privy Council and government House leader, in replying on three separate occasions, refused to answer the specific question but gave us a story about the difficulties of conducting House business. He pointed out to us, for instance, that we had already had two days' debate on the matter and there was going to be another opposition day on Monday, none of which had anything at all to do with the question.

The danger I am attempting to impress upon the Chair with respect to the independence and integrity of standing committees arises from the sequence of events as they occurred yesterday. Your Honour will recall that on three separate occasions the chairman of that standing committee rose in an obvious attempt to answer the question, and on three separate occasions he was prevented from doing so by the President of the Privy Council. Finally, as recorded at page 12269 we find the President of the Privy Council saying, when he rose the fourth time—and the chairman of the standing committee had also risen.

> Madam Speaker, I am sure that the hon. member for Northumberland-Miramichi is now able to answer the Leader of the Opposition—

The use of that word "now" is very significant. What he was saying in effect is, now that he has had his opportunity to tell the House why there is not going to be a reference—not saying it directly, but by referring to all sorts of other business—and the government position having been established, the chairman would be allowed to answer the question, but not before.

There are very serious implications to be drawn from that sequence of events yesterday having nothing to do at all with interpreting the question. The question was quite clear: has a request for a reference been made? In my respectful submission, the chairman was denied the opportunity of telling us whether a reference had been sought until he was allowed to do so by the President of the Privy Council. Therein lies the danger, and that is the danger which, in my submission, is best cleared up by the Standing Committee on Privileges and Elections.

Madam Speaker: I will reserve on the question and study the arguments that have been presented.

MR. BENJAMIN—REFERENCE TO SENATE COMMITTEE OF RAIL PASSENGER SERVICE POLICY

Mr. Les Benjamin (Regina West): I rise on a question of privilege.

Madam Speaker: I did not get notice of the hon. member's question of privilege.

Mr. Benjamin: I give it now, Madam Speaker, because it is related to the previous question.

Madam Speaker: Very well, I will recognize the hon. member for Regina West.

Mr. Benjamin: Madam Speaker, this is related to the previous question of privilege in the sense that it affects the chairman of the House of Commons Standing Committee on Transport. At page 12269 the Leader of the Official Opposition (Mr. Clark) is recorded as asking the Minister of Transport (Mr. Pepin) about a request of the subcommittee of the Standing Committee on Transport for an order of reference, and the Minister of Transport said, as reported at page 12270:

> It should be obvious to everyone here that what the opposition is trying to do is obtain a reference—

By the way, this was a request made by all-party agreement. He went on to state:

> —so that a report can be written and they will have another kick at the can.

Madam Speaker: Order, please. The hon. member seems to be referring to the deliberations of yesterday, in which case I have to remind him that I require written notice of his question of privilege. If it involved the deliberations of today I could accept his question of privilege, but he is quoting from yesterday's *Hansard* and, therefore, I am afraid I cannot hear the hon. member at this time.

Mr. Benjamin: Madam Speaker, I guess that makes it a point of order. This document in my hand indicates that the government refused an order of reference to inquire into VIA Rail and submit a report.

However, I find as a result of what has just arrived in my hand that the government House leader of the other place has taken action. The other place has authorized their transport committee to inquire into and report upon the national rail

passenger service, exactly what the chairman of our committee asked for and was refused, and in fact double-crossed, yesterday. Now we find today that the same authorization has been provided in the Senate. Surely that raises some kind of privilege on the part of the chairman of our committee and all members of this place.

• (1540)

Madam Speaker: With respect, the hon. member is still discussing matters which happened yesterday and even matters which took place in the Senate. This cannot be entertained under a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. LAWRENCE—EFFECTS OF HIGH MORTGAGE INTEREST RATES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I ask leave of the House to lay upon the Table a petition prepared of their own volition and signed by 160 people who principally are residents of Port Perry, Ontario, in my constituency. Like most Canadians, they are gravely concerned about the extremely high mortgage interest rates and they urge Parliament to take action to establish a realistic interest rate to provide security for those who have homes which are mortgaged.

MR. KILGOUR—GROUP MAIL BOXES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I ask leave of the House to lay upon the Table a petition signed by approximately 350 of the 650 householders in the Ridgewood area of Millwoods, Edmonton. This petition was prepared by Mrs. Fran Walker and asks for nothing more than group mail boxes. I think you would be amazed, Madam Speaker, if you knew the hours in which mail service was available to these people. They are simply asking for a right which every other Canadian appears to have.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 2,559 and 2,691.

Order Paper Questions

[*Text*]

J.W.E. MINGO, Q.C.

Question No. 2,559—**Mr. Crosby:**

1. Did the Minister of Energy, Mines and Resources or any official of his department or the president or any official of Petro-Canada have conversations or discussions with Mr. J.W.E. Mingo, Q.C., of Halifax or with a member of the board of directors of Petrofina Canada Limited prior to or after the first attempt by Petro-Canada to acquire control of Petrofina?

2. Was Mr. Mingo paid a fee as a director of the Bank of Canada or as an agent of the government or Petro-Canada with respect to the attempt by Petro-Canada to acquire controlling interest in Petrofina?

3. Did Mr. Mingo play a role in the acquisition of a controlling interest in Petrofina by Petro-Canada and, if so, does the government consider that role conflicted with his interest as a director of the Bank of Canada and other government agencies including the Halifax Port Authority?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Ministry of Energy, Mines and Resources reports as follows: 1.—3. No.

CHANGING OF RAILWAY ROLLING STOCK TO METRIC UNITS

Question No. 2,691—**Mr. Domm:**

1. Does the Minister of Transport have contingency plans for changing the printed dimensions and specifications on the outside surfaces of various railway rolling stock to metric units and, if so, what is the anticipated cost of changing the stencilled specifications?

2. What form of specification measurements will the minister require to appear on rolling stock originating in the United States?

3. Will Canada's railway gauges be specified in Canadian or international units in future and on what date will any change take place?

4. Did Canada receive an order to supply some 1,200 items of rolling stock to the Federal Republic of Nigeria and, if so, will the items be manufactured to Canadian or international specification?

5. Are end-product items of the Tilby-Miller sugarcane separation technology to be manufactured under license by Intercane Systems Inc. and Hawker Siddeley Canada Inc. and, if so, will they be made according to Canadian or international specifications?

6. Were 90 subway cars purchased recently by Mexico City Metro from Bombardier Inc. for $50 million and, if so, will they be manufactured in Canadian or international units of measure?

7. (a) Are the industrial off-shoot benefits accruing to domestic firms as a result of the purchase by Canada of the CF-18 fighter aircraft expected to amount to approximately $2.5 billion and to continue to approximately 1995 and has the Metric Commission scheduled the changeover of the Canadian aerospace industry from Canadian units of measure to international in 1987 (b) does the Department of Industry, Trade and Commerce envisage regulatory exceptions to permit Canadian industry to legally continue to supply parts built to Canadian units of measurement beyond the scheduled changeover date and, if so, what will be the exceptions?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Transport as follows: 1. No. However, plans for changing dimensions and specifications to metric units were proposed by the rail transport industry and the rolling stock manufacturers and approved by the Railway Association of Canada. These plans are compatible with the standards set by the Association of American Railroads. The cost to convert the rolling stock is approximately $20 per car at manufacture and $50 per car at refit of existing equipment.

Order Paper Questions

2. The Minister of Transport does not establish the form of specification measurements that appear on rolling stock. See also answer to 1 above.

3. Railway track gauges will not change but will eventually be expressed in metric units. The current industry target for this is 1988.

4. No.

5. The equipment resulting from the Tilby-Miller sugar cane separation technology will be manufactured by both Intercane Systems Inc., and Hawker-Siddeley Canada Inc., and will be made according to the specifications required in the country where it is being used.

6. No.

7. (a) Yes. The appropriate industry sector committee (aircraft and aircraft parts manufacturers) has scheduled conversion to metric units within its industry in the period 1988/89. Sector committees are made up largely of industry representatives and act in the interest of the industry concerned.

(b) The Department of Industry, Trade and Commerce has no intention of introducing regulations requiring manufacturers to use metric units. Industries are free to provide their goods and services in the units of measure their customers desire.

[*English*]

STARRED QUESTIONS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 2,784?

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I have here the answer to question 2,784. I could read it but it is rather lengthy so, with unanimous consent, perhaps I could table it.

Madam Speaker: Is there agreement for the tabling of this answer?

Some hon. Members: Agreed.

[*Editor's Note: The answer referred to is as follows:*]

[*Text*]

*EXECUTIVE ASSISTANT TO MINISTER OF AGRICULTURE

Question No. 2,784—**Mr. McMillan:**

With reference to the answer to Question No. 2,308 concerning trips between Ottawa and Prince Edward Island taken at government expense by Mr. James Fay, Executive Assistant to the Minister of Agriculture (*a*) with what individuals or groups did he meet (*b*) what was the (i) date (ii) location (iii) duration (iv) purpose of each meeting?

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture):

Individuals or groups met	(b)(i) Date	(ii) Location	(iii) Duration	(iv) Purpose of each meeting
Trip number 1				
Island Growers	September 2, 1980	Charlottetown	all-day session	To obtain information on the intent of the Island Growers re the proposed Potato Agency for Eastern Canada
Trip number 2				
Prince Edward Island Potato Producers Association	October 16, 1980	Charlottetown	three and one-half hours	To discuss updated data on proposed Eastern Canada Potato Agency Plan
Trip number 3				
Prince Edward Island Potato Producers Association	December 19, 1980	Charlottetown	two and one-half hours	To discus draft plans for Eastern Canada Potato Agency as a result of the September 2, 1980 hearings in Charlottetown
Trip number 3				
John MacDonald, Member P.E.I. Potato Producers Association	December 20, 1980	Souris, P.E.I.	2 hours	To discuss possible Potato Stabilization for the 1979 crop year for Maritimes

Canada Oil and Gas Act

Individuals or groups met	(b)(i) Date	(ii) Location	(iii) Duration	(iv) Purpose of each meeting
Trip number 4				
P.E.I. Potato Producers Association P.E.I. Potato Marketing Board	January 19, 1981	Charlottetown	2 hours	To discuss new seed regulations as they may affect P.E.I. elite seed program
Trip number 5				
P.E.I. Potato Marketing Board	February 9, 1981	Charlottetown	two and one-half hours	EEC regulations as they relate to seed exports of Maritime Potatoes
P.E.I. Potato Producers Association	February 9, 1981	Souris	3 hours	To discuss Status of 1979 Potato Stabilization — Possible funding and update on the Eastern Canada Potato Agency Plan
Trip number 6				
P.E.I. Potato Producers Association	February 15, 1981	Charlottetown	three and one-half hours	Preparatory talks for future Eastern Canada Potato Agency meetings in Ottawa
Trip number 7				
Premier of P.E.I. (with Minister of Agriculture)	March 4, 1981	Charlottetown	2 hours	To discuss proposed Atlantic Veterinary College
Trip number 8				
P.E.I. Potato Marketing Board Members P.E.I. Potato Producers Association Member P.E.I. Potato Dealer Association Member	March 13, 1981	Souris, Charlottetown	seven and one-half hours	To discuss seed potato phytosanitary regulations, and how it relates to EEC'S and Canadian Seed Potato and the proposed EEC Potato Agency Plan

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I would like to draw to the attention of the parliamentary secretary some matters arising out of the answers given yesterday at pages 12279 and 12280 of *Hansard* in answer to my question No. 2,317 respecting the RCMP 'E' Division headquarters in Victoria. There are three points I would like to draw to the hon. member's attention.

The first and most important one concerns the answer to the question in the second column of page 12280. There is an asterisk beside it and if one makes reference to the explanation of the asterisk one sees that the cost is only an estimate since "purchase is still under negotiation, which should be completed by the end of June, 1981."

I draw your attention, Mr. Speaker, to the fact that this answer was tendered and appeared in *Hansard* on October 28, 1981. The answer was obviously prepared before June, 1981, and has been sitting somewhere. Perhaps that portion has been awaiting the accumulation of the other information. I would therefore ask the parliamentary secretary if he could update that aspect of the question.

My second point relates to line 6 of the first column of page 12280, where it refers to office equipment and furnishings. The cost is $74,100. Then the second column, under (d), relates to the relocation of furnishings and equipment for $80,000. It seems to me that it is inconsistent to purchase office equipment and furnishings for $74,100 and pay $80,000 to move them.

My third point is a small one. It is related to the name "Fairmont, Vancouver", just above the italicized reply in column No. 2. I do not know whether that is Fairmont Street or Fairmont District. I think it should be clarified for the record.

Mr. Smith: I will look into those matters, Madam Speaker, and see if they can be clarified.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Wednesday, October 28, consideration of Bill C-48, to regulate oil and gas interests in Canada Lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the

Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

Mr. Peter Elzinga (Pembina): Mr. Speaker, since we have had so many interruptions in the debate perhaps you could tell me how much time I have left in my participation.

Mr. Deputy Speaker: I am informed that the hon. member has 17 minutes.

Mr. Elzinga: Thank you, Mr. Speaker.

As I started to indicate yesterday, I am sure all parties basically agree on the importance of our nation reaching energy self-sufficiency. We all agree that it is important that we have more efficient development of our resources. I think we also agree that it is essential that we have a healthy oil and gas industry in Canada if we are to reach oil and gas self-sufficiency. It is important that we have a healthy oil and gas industry to cure some of the serious ills we are facing in our economy, such as inflation, which is running rampant. The fact that so many individuals are employed in our energy sector also makes it important that we have a healthy oil and gas industry in Canada.

The main difference lies in our philosophical approach as to how we achieve energy self-sufficiency. I dealt with that aspect somewhat when I spoke on this measure last Tuesday evening, illustrating the total difference in our philosophical belief as to how we can achieve a healthy industry in comparison with both the Liberal and New Democratic parties.

We do fully support Canadianization but we have grave reservations about nationalization. I think Canadians were disturbed when they saw our minister of energy sitting back and eating cake in celebration of the first year of the National Energy Program. The Canadian people are the ones who are paying for this cake, but they do not have any of that cake to eat. In fact, they are having less to eat because of the disastrous policies of this government.

The Liberal administration wishes the Canadian people to think that it is a bunch of American fat cats, American capitalists, who are running our oil industry. You would be surprised, Mr. Speaker, at the amount of investment by the so-called small investor in Canada. I am talking about our senior citizens. Many widows rely on their dividend payments from their investment in these different corporations to make their livelihood.

● (1550)

Our Prime Minister (Mr. Trudeau) gives a few dollars to increase old age pensions with one hand but then takes them back fourfold by allowing the value of oil stocks traded on the stock exchanges to decrease. Do hon. members opposite care about individuals who have invested small amounts in the oil industry so that they might benefit from the development of our resources? It seems that they do not. Far too often we find that they deal in the abstract; they do not deal with individual hardship cases. I refer to people who have put a great deal of sweat and blood into the development of our resources but now find that this government, through the back-in provision of claiming 25 per cent ownership on Canada lands, is simply walking in and stealing portions of what they have worked so hard to obtain. They have worked for years and invested for years, but our hon. friends opposite are literally stealing 25 per cent of something people have worked hard to develop. That is a totally different philosophical approach from that which we take, and we have given many illustrations respecting our approach.

I referred briefly to the budget we introduced in 1979 and made some comparisons with what is taking place now. The governments of Canada did not build this country. This country was built by individuals who were willing to stake their livelihoods. They built something we of the younger generation can enjoy, and we owe them a debt of gratitude. However, this government is not expressing any gratitude to them at all; it is penalizing them for their hard work.

As I mentioned earlier, we in this party support the concept of 50 per cent Canadianization. We encourage direct support by Canadians in the development of our resources. Petro-Canada is a fine example of the approach of this Liberal government. The individual who heads Petro-Canada has much to say about the development of our resources, but I understand that at one time he came close to being fired from a second rate job at Imperail Oil, a company which produces oil. Now he is running a government organization responsible for billions of dollars.

We are dealing here with the energy industry. I find it totally unacceptable when I hear my friends to the left in the New Democratic Party indicate their support for an energy tax credit for those individuals who cannot absorb increased energy costs. Members of the New Democratic Party voted against that measure when we introduced it in our budget in 1979. They voted against the progressive steps we wanted to take to help those individuals who are burdened with additional energy costs. Yet today they ask the government to implement exactly what they voted against. The hypocrisy of that party never ceases to amaze me.

A number of individuals participating in this debate have stated that it is important that Canada reach energy self-sufficiency. I refer specifically to the hon. member for Calgary South (Mr. Thomson), who illustrated how that will not be possible under the present administration. If the present policies advocated by the Liberal government continue, we can never hope to achieve energy self-sufficiency.

I was happy to see on television last night that the province of Alberta has reduced its royalty structure so that more development will take place in the province of Alberta. I would like to see some encouraging actions on the part of the federal government as well so that the industry can be restored to the health it enjoyed prior to the introduction of the National Energy Program.

I do not wish to belabour what we attempted to do in our budget and in a number of the proposals we advocated during the short nine months we were in government, but I think the

underlying factor in everything we advocated in this House and throughout Canada was our deep belief in the individual Canadian citizen. I deeply believe that the average individual in my constituency of Pembina can prosper in Canada, but the average constituent should be offered initiatives by his federal government so that he can own his own home and participate directly in the development of our resources. I hope hon. members opposite will realize the wisdom of that attitude and of offering initiatives rather than always relying on government intervention.

Quite frankly, I am glad an agreement was reached between the federal government and the province of Alberta because at least the uncertainty that existed was removed. However, I find it frustrating that the party opposite was the party which campaigned on cheap oil. Hon. members opposite told the Canadian people they would keep energy costs down. As a result of the agreement reached Canadians in reality are paying and will in the future pay more for oil products than what we advocated in our budget. For example, we agreed to the gradual increase in the price of our oil to 75 per cent of the world price. That was included in the agreement signed by the province of Alberta and the federal government, but that is only in effect with respect to old oil. The cost of new oil or oil found after January of 1981 will be allowed to rise to 100 per cent of the world price under the present agreement. That oil will cost the consumer much more. I find it very disheartening that simply for political expediency hon. members opposite made promises and built up the hopes and expectations of the Canadian people and then, after an election is over, they forget about their promises and renege on them totally.

Let me conclude by referring to what I said in my opening comments. I hope our friends opposite will realize the wisdom of offering not only small Canadian oil companies but all individuals throughout Canada opportunities for self-fulfilment and the opportunity to produce for themselves rather than always taking the government interventionist approach.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I appreciate the opportunity to speak about this legislation. I wish we did not have to do so. I wish the legislation was not before us, but it is part of the schedule and part of the menu the government has put before us, so we must address ourselves to it.

It has been a year since the National Energy Program was introduced. It is probably an indication of the popularity of this measure that a year after the program was introduced we are still debating one of its major features. It is probably time to sit back and take a look at what is happening in the legislative process of this program. As I consider the debate, it seems to me that pretty well everyone in this House has staked out his position. In some cases it appears that this is a dialogue of the deaf. We have all determined what we want to see, what we want to support and what we want to reject, and there is not very much listening going on any more in this debate.

• (1600)

That is true for the Liberal Party as well as for the Conservatives and NDP. All of us have solidified our position so much that we are not really hearing what other people are saying. It probably does not pay any more to listen because we know what they are going to say. We have such a staked-out ideological position that we can anticipate what the other party will say. There are no surprises.

That is not healthy for a good legislative debate. I wonder whether it is not time to take a look at the premise which ought to underlie legislation if it is to be good legislation. What is the premise? From the premise flows the principle which ought to undergird all of the provisions of legislation. The premise is that we want good legislation, good law. We have to decide whether the law that we are debating is good. For example, for a number of years I have promoted a private member's bill on parental kidnapping. The government has now adopted that legislation in Bill C-53.

Something that encouraged me to go ahead with that legislation was an experience I had in Toronto some years ago. A young lawyer was using the kidnapping provisions of the Criminal Code to counsel his clients on how to kidnap their own children and do so successfully under the Criminal Code. That provision in the Criminal Code is supposed to protect children. However, it was being used by counsel in order to abduct them. That is bad law and the sooner we get rid of it, the better.

The underlying premise of all legislation is that it ought to be good. Maybe we ought to look at a couple of principles which ought to be qualities of good legislation. Good legislation should first of all have the principle of universality in it. Good law should be able to endure and enjoy universal application. You cannot have good law if it is very specific and particular. It should apply as much as possible to any situation within the purview of that legislation.

Second, it should not be written to give selective attention to any one person or group of people. I am sure the civil libertarians in this House will agree with that. Law which is designed to give attention to one group is probably not good law.

It should not be written to punish or reward any one person or group of people. Nor should it endanger any one person or group. It ought to benefit the public as a whole. For example, when I first came to this chamber we were still dealing with legislation related to a specific divorce action, a person who wanted a divorce and the provincial legislation did not accommodate that divorce action taking place. I am sure, Mr. Speaker, you remember cases like that. That is not good law. I am glad we have changed the legislation in such a way that we do not have to deal with that any more. We should not be dealing with specific cases in that way. We ought to have universal legislation.

Mr. Deputy Speaker: Order. I have been listening attentively to the hon. member. This is report stage of the bill and two amendments have been grouped for debate. It appears to the

Chair that the hon. member is straying from the principle of speaking specifically to the amendments before us.

Mr. Friesen: Mr. Speaker, you will note what I am driving at. In about two minutes I will come to the application and you will see why I am dwelling on the point that law, if it is good law, must have universal application.

The second principle is that if it is to be good law, it should not be passed on the basis of an individual liking or disliking a person or group of people. That is why we have debated and talked about a charter of rights, to protect people from that kind of prejudice. If we allow that to happen, we get into the danger of an ever-escalating vendetta against one person or group of people. For example, if we were to pick on any one race in our society and adopt property provisions relating to that race, we would quickly agree that that is racism and rule it out as bad law.

Does the clause in Bill C-48 that we are now dealing with pass these two tests of good legislation? Does it enjoy universality of application? Could we take the principle in this piece of legislation and adapt it to other areas of our lives as Canadians and appreciate the legislation? Second, does it look at one person or group of people with special attention? That is really the underlying question.

We are dealing with Clause 27 of the bill. It is called in our jargon the back-in clause. This provision allows the Minister of Energy, Mines and Resources (Mr. Lalonde) through the Crown corporation to expropriate retroactively property that has been developed by any corporate citizen. Whether it is an individual person or a corporate citizen is immaterial to the principle we are now discussing.

Should the government be able retroactively to back in and expropriate property belonging to a person, whether it be an individual or corporate citizen? Does it enjoy the test of universality? Could we apply this principle to all ownership in Canada? I ask the backbench members on the government side whether they would appreciate having this principle of retroactive expropriation applied to their homes, farms or businesses. Should we accept retroactive expropriation?

I enjoyed attending, and I say this with some level of seriousness, the NDP convention last July. It was good theatre, although not much more. I recall looking at their energy resolution which was passed by their executive, although not promulgated originally by the memberships as a whole. I quote clause six of that energy resolution:

> Fiscal Incentives for Equity—Any expenditures of public funds, including incentives (both grants and tax write-offs) in support of privately-owned ventures must earn equity in those ventures in proportion to the funds provided.

Having approved that principle, I wonder whether the members of the NDP would like to apply that principle universally?

Mr. Waddell: It was an energy resolution.

Mr. Friesen: Part of the energy resolution in this country is the CHIP program which is designed to spare our energy resources. It is a grant program specifically mentioned in their resolution. They would endorse the application by home owners to take advantage of those grants, which then become an investment in the home. Their resolution says that those kinds of grants "in support of privately-owned ventures must earn equity".

Mr. Waddell: That's absurd.

● (1610)

Mr. Friesen: Do they support the fact that the government should have equity in those homes or those businesses that make use of that particular grant? Let us look at universality in the application of a law. Should we accept the present legislation, Bill C-48 and its Clause 27, that allows the government retroactively to expropriate an investment that a private citizen or corporate citizen has made?

Mr. Lalonde: You are ridiculous.

Mr. Friesen: Let us turn that around. Maybe it is ridiculous to apply that kind of legislation to a corporate citizen.

I welcome the intervention on the part of the Minister of Energy, Mines and Resources. Does he want that principle applied universally across Canada? What investor across Canada would feel secure if we were to adopt this legislation and accept the principle that it should be universally applied across Canada?

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

Mr. Deputy Speaker: I recognize the hon. Minister of Energy, Mines and Resources on a point of order.

Mr. Lalonde: Is the hon. member asking me a question? If he is, I will be happy to answer it.

Mr. Deputy Speaker: The hon. member for Surrey-White Rock-North Delta has the floor. If the minister is asking the hon. member who is speaking a question, I think that is in accordance with the custom of the House. I am not aware the procedure would permit any reverse questions at this stage.

Mr. Friesen: If the minister could answer a question without making it look like a pretzel, I would not mind having him answer it; but I have never heard the minister yet give a straight answer in the House.

To what extent is the Minister of Energy, Mines and Resources willing to drive home this principle that he is applying in this legislation to other areas of our life? That is the answer we are looking for in the long term. If I had more than 20 minutes given to me now, I would allow the minister to answer that question, because when he first introduced this legislation and this policy, he said in this House that this policy would change the social structure of our country. That is the thing that worries us. If this has universal application, the minister certainly has a funny way of expressing himself.

This is an energy bill that basically has western and maritime application. I recall the Prime Minister (Mr. Trudeau) and the minister talking about the fairness of sharing our resources. The sharing principle is only in terms of energy and

in terms of the wealth of the west. It has nothing to do with the hydroelectricity of Ontario or Quebec. It has nothing to do with the mineral resources of Ontario and Quebec. The principle applies only to the energy resources of the west and of the maritimes. Mr. Speaker, that seems to me to be bad legislation. If we cannot accept universality, then it is bad law. It also ought to enjoy the test of whether or not it gives special attention to something based on likes or dislikes.

The fact that the government has been engaging in a spree of expropriation, of buying or wanting to appropriate energy companies, already focuses special attention on those companies. The legislation we are talking about deals with foreign investors in a special way. I suggest that if this legislation is designed to isolate certain people or certain groups of people for special attention, then it is bad law. I suggest to the government that in this case it is dealing with foreign investors, and most of them are American investors—though not all—in the energy field.

The special attention given to foreign companies dealt with in social programs is what we call racism. Since it has to do with economics and since it has to do with wealthy oil companies, my friends to the left, who are very solicitous about not prejudicing any group of people or any nationality, forget about the fact that special attention is given in a prejudicial way to foreigners in this legislation. It is a kind of racism. It is a kind of economic racism that we are involved with.

I take interest in the resolution passed by the New Democratic Party last July dealing with Canada-U.S. relations. It reads:

A New Democratic Party government will pursue a comprehensive and mature state to state relationship—

I think that is a contradiction of terms. I do not know if it is possible for them to have mature state to state relationship, but that is what they say. It continues:

—mature state to state relationship with the United States based on the principle of equality of nation states. To accomplish this, Canada must cease to deal with United States on a special issue-by-issue or deal-by-deal basis.

That is what their resolution says in terms of Canada-U.S. relations. When it comes to energy, they say:

This involvement—

That is, public sector involvement.

—should include the expansion of Petro-Canada by the purchase of Imperial Oil.

On the one hand they are saying, "We don't want to deal with a matter on a special issue-by-issue or deal-by-deal basis"; on the other hand they say, "let's buy Imperial Oil". We may want to accuse the New Democratic Party of a lot of things, but there is one thing we should never accuse them of and that is consistency of policy or of the application of policy. Forever and a day they have been calling in the House for that kind of resolution.

If we are to have good legislation and if we are to have good law, Mr. Speaker, then we must be able to apply that law universally across the country within the sphere of application of that particular legislation. I suggest the legislation before us, Mr. Speaker, does not enjoy that kind of welcome across the country. You cannot universally apply this legislation without prejudicing the property rights of people all across Canada. Because one group of people in Canada happens to be foreigners and happens to be big in numbers, we find their position is prejudiced by the special attention given to them by this legislation. The civil libertarians in the New Democratic Party would not want that to happen in any other area. They only want that to happen in economics. In that sense they are no different from the socialists in the Liberal Party who are promoting this kind of legislation.

I think we need to vote against this provision, Mr. Speaker, and promote the motion before us in the name of the member from Calgary which would balance off that provision.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I spoke previously with regard to a former motion on Bill C-48. I am pleased to participate not only in the debate on Bill C-48 but in the debate on a particular section of the bill that goes to the heart of the whole energy program that the government announced a year ago.

Let me look at the objectives of the energy program and the objectives of Bill C-48. First of all, it tries to achieve a higher Canadian ownership content in a very important sector of our economy, namely the energy sector. It tries to achieve greater benefit for Canadians in terms of economic rent and profits made by this particular sector of the economy.

• (1620)

The other major component of the bill is the concept of achieving energy self-sufficiency as early as possible, with the goal of 1990. In other words, through this bill and this energy program we are trying to achieve an accelerated development of our energy resources, including those located in unconventional areas of our country and particularly in the north.

In its wisdom the government has decided that it must achieve these goals through ownership and direct government involvement. It aims for ownership and complete control of the energy sector. It must have a means to compete with industry already in the field and it must have a window into the energy sector in order to pursue these stated objectives. It is saying that the regulatory instruments we now have are not sufficient to keep the industry honest and to achieve sufficient benefits for Canadians in the areas of energy development and marketing.

Let us look at some of the regulatory instruments normally used to ensure corporate responsibility, specifically in the energy sector. The multinational oil companies do not drill anywhere on federal or provincial lands unless they are told to. Normally leases are made available to them in areas where we think exploration and development should take place. The leases are put on the market for competitive bids and the oil companies bid on them. In other words, they have been told where the development shall take place.

We could use the same regulatory instruments to tell the oil companies how quickly development should take place. They

could have a licence with the condition that certain improvements had to be made within a prescribed period of time, otherwise they would have to vacate and the licence would be given to someone else.

We could go further and, indeed, we have gone further. We could tell them that when they make a find we will set the rate of production, where the product will be marketed and at what price it will be sold. Then, as is done with most other industries, by adjusting the economic rent and royalties associated with such endeavours we could tell the industry how much profit it can make.

I make a comparison with the lumber industry. Royalties on lumber are adjusted to compensate for cost of production and world price. The companies are really operating on an incentive rate of return which is usually 15 per cent to 25 per cent. Such adjustments can readily be made because we know what the world price for oil is and we know the basic cost of production. The economic rent could be adjusted to make sure that the companies had a rate of return sufficient to permit them to raise the capital required to undertake the ventures that need to be undertaken. At the same time we would make sure that there would not be any windfall profits. If we want to accelerate these projects, we could build the procedure into these regulatory arrangements.

Instead, the government has chosen to go the route which is more consistent with the new type of Liberal philosophy. I am confident that I will not convince my hon. friends opposite that there is a new type of Liberal philosophy; but we all know that there are millions of people outside this House who sometimes view what we are doing by means of television, so those people know.

I should like to discuss this Liberal philosophy with respect to economic nationalism and behaviour. It is a kind of new collective economic philosophy and, at least in the area of energy, it is an attempt at a planned market economy instead of a free market economy.

The government has now decided to teach individual Canadians what their priorities are. We are now all shareholders in the great energy industry. Regardless whether our priorities are consistent with that, we are shareholders in a high-risk and sometimes low-yield industry. Canadians have never shown much interest in investing in energy, Mr. Speaker. We would be an energy poor country if the initial exploration and development in conventional areas had had to be financed with Canadian money. On the whole, Canadians are very lazy and it took the multinational companies who had more faith in our energy prospects than we have to build up the industry. We are great savers, we put money in the bank and like to buy Canada Savings Bonds, but we are not great risk takers. The government has now decided that we are going to be risk takers. Because the government wants us all to be equal, it wants us to share all the profits from these great ventures. In fairness, like the New Democratic Party the government holds that if you share in the profits then you have to share the risk. Now we are all shareholders in this new and important sector of our economy.

I cannot understand why the NDP are so upset about what the government is doing. They complain that the wages of the average worker in this country have declined in relation to inflation. The reason for that, Mr. Speaker, is that the worker is no longer just a wage earner but a shareholder. The government has taken a bite out of his pay cheque and put it into the energy sector. It spent $1.4 billion to buy Pacific Pete in western Canada. Just recently a Liberal member celebrated the opening of the first Petro-Canada gas station in eastern Canada. The minister was there too in his hard hat, full of joy, gasing up the first car and giving away a tank of gasoline.

There have been Petro-Canada gas stations in my constituency for the last three years, Mr. Speaker. If you fill your tank at the Petro-Canada station at Fort St. John, you find that the price is three cents per litre more than at other stations. In my riding, Petro-Canada has assumed the role of price leader, formerly the role of Esso. The price is about 12 cents per gallon more than at other gas stations.

An hon. Member: Shame.

Mr. Oberle: When the president of Imperial Oil appeared before the committee, he said: "We cannot wait until Petro-Canada takes from our shoulders this horrendous burden of being the price leader. Our shareholders are rubbing their hands with glee, waiting for Petro-Canada to become the price leader, because our profits will go up."

Wages have gone down because the government spent $1.5 billion to buy Petrofina. It did not buy new oil; it did not advance the prospect of energy self-sufficiency by 1990 because it bought a bunch of broken down service stations in eastern Canada. If you wanted to paint the country red, you would begin with the service stations because there is one on every corner. We now have all kinds of Petro-Canada service stations. If hon. members in this House worry about the telephone calls they receive from people complaining about the Post Office, about some of the other programs and the other direct involvements of government, they should just wait. I already have the experience. The Petro-Canada service station is in the neighbourhood. I am now receiving phone calls from my constituents. They are asking, "Why is it that Petro-Canada's price is three cents a litre more than Esso's price? Why did I not get any warranty when I had my generator fixed in the government's service station?" Now, fellows, prepare yourselves for it! That is the next problem you will be facing, because you cannot have one without the other.

• (1630)

The government is taking these bites out of everyone's pay cheques. It should be little wonder to all of us that we are no longer keeping pace with the rate of inflation, because the government is now investing our money in the energy sector. How is it doing this?

Let me then turn to the provision in the bill which is known as the 25 per cent back-in. The government has made a regulation, reflected in this bill, which states that any company operating on federal lands—federal lands being the Northwest

Territories, the Yukon or the offshore—will have to have a Canadian ownership content of at least 50 per cent. There is a built-in encouragement for companies to go much further than that. In fact, the ideal ownership content is 75 per cent. Basically, there is a formula being followed to give companies the incentive to improve their Canadian ownership content, and it works something like this. If a company is 75 per cent Canadian owned, it will be reimbursed 85 per cent of its development costs, in cash, by the federal government, or from you and me, Mr. Speaker, because of that bite in our pay cheques. If the company is only 50 per cent Canadian owned, it will be reimbursed only 35 per cent of its development costs. So the obvious goal is not a 50 per cent Canadian ownership content; if one wants to be in competition in the north and on federal lands, one must really have 75 per cent Canadian ownership.

I hope that the provincial premiers are aware that the government is also stating that if a company is drilling in conventional lands, meaning the provinces, if it is a 75 per cent Canadian company it will be reimbursed only 35 per cent of its development costs. Of course, that is designed to lure away those companies which have not already packed up and left our country for the United States. It is trying to lure them away from the conventional areas, from the provinces, to drill in the north.

It has gone further and said that of that 50 per cent Canadian ownership, 25 per cent must belong to the bureaucrats, to government itself. The measures which are contained in this bill will provide that in cases where the company had less than 50 per cent Canadian ownership after the back-in, the agent of the minister would just simply confiscate the rest or the difference. In other words, Chevron Canada Limited is, I believe, a wholly-owned subsidiary of Standard Oil of New Jersey. The minister would back in with his 25 per cent, and it would still be 75 per cent foreign owned. If it could not find a Canadian partner, the minister would just simply confiscate 50 per cent.

Companies can now apply for leases in the north. If one understands the oil business, one knows that particularly in the high risk areas where the technology is not yet known—for instance, the technology required to bring oil under the icepack of the Arctic Ocean to shore and to deliver it to some other places—companies have a tendency to take in many partners and to sort of spread the risk involved with these kinds of new ventures. Because of that, the 25 per cent Canadian or government ownership content will, in almost all cases, mean a majority content. Therefore, the government will not only have the ownership and the window into the industry, but it will be on the hook for the whole scheme. That is all right when it comes to divvying up the profits, but what about when it comes to assuming the risks associated?

What concerns me most about the energy program, and even some of the more stubborn socialists to the left agree, is that Canada will always have to share some of its resources with other countries. I happen to think that because we will always be in a position where we will have to share some of the resources with other countries, the risks associated with developing new sources of energy and new technology to bring oil from the tar sands and from underneath the icepack should also be shared. It is good that Japan has made a deal with Dome to share the risk of bringing oil out of the Beaufort Sea.

We should invite other highly industrialized countries which are desperately in need of our resources to share in the risks and the high costs associated with developing these new sources of energy. The Canadian taxpayers are not in a position, as the bite out of their pay cheques is not that big, to come up with the $300 billion to $500 billion required to gain energy self-sufficiency by 1990. I do not believe that Canadian taxpayers have that kind of resource available, as their pay cheques are not that big. I do not even think that Canadians have that kind of credit in other parts of the world. Instead, we should be recruiting new investment, inviting others to help us share in these incredible risks. Of course, they will not do that unless we also let them in on some of the profits. Some industrialized countries do not measure profits in dollars but, rather, in a share of the resources which will eventually flow.

We are experiencing a very crucial and difficult time. We have to bridge some sort of a gap of about 40 or 50 years, after which time all of us throughout the world will be able to develop much more exotic sources of energy, such as solar power, wind power, thermal power. However, we must find enough oil and gas in the meantime to bridge this gap.

I am glad the minister is in the House. I hope I have been able to demonstrate to some of my friends that it is not all gravy. Any business into which one enters has certain associated risks. We should all be aware of what we are doing and understand that not only will we increase the benefits by having Canadians sharing the development of new energy and its sale and marketing, but we as taxpayers will also share in the risks.

Dome Petroleum will report to us in a very few days concerning the resources that it has discovered in the Beaufort Sea. If, as we all suspect now, all the optimism associated with this billion dollar scheme was not warranted and that, in fact, there is not the amount of oil that everyone expected, then we will have a demonstration of what it means to share in the risks. Although we have hundreds of millions of taxpayers' dollars invested in the scheme, there are many private people who have had faith in Dome and in the Beaufort Sea who will be losing their shirts.

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I would like to begin by saying how pleased I am to have the opportunity to participate in the debate on Bill C-48. It is a customary opening phrase, I know, but in my case it is a very heartfelt one. It may seem strange that I, as the representative of Vancouver Centre, should take such a keen interest in this debate. Discussions about royalties, Petro-Canada, the government's back-in clause and the Canada lands sound very distant from the concerns of residents in the heart of Vancouver, whose concerns I normally devote my time toward; but they are not at all remote to me.

● (1640)

Before I became a Member of Parliament, I had the opportunity to spend a lot of time in the north. During the 1970s I lived in the Northwest Territories where I worked for several years. In fact, I was in Whitehorse reviewing the right of way for the Foothills pipeline on the day that I received a call from the riding association in Vancouver asking me to run in Vancouver Centre. During that time I developed a deep appreciation for the people of the north and its traditions. I travelled extensively throughout the Northwest Territories.

I have been most impressed by members of my own party who have worked so hard to promote changes to the original act. They have displayed extensive knowledge of the oil and gas industry. Just as important, they have manifested a real sensitivity to the needs of the north.

Nowhere is that attitude more evident than in Motion No. 21, the motion we are debating today. It seeks to limit the right of the Crown to back-in to a production field. If passed, and I sincerely hope it will be, it would allow the Crown to become a Canadian owner of last resort only.

I object in the strongest terms to the powers which the federal government wishes to give itself through the back-in clause. I am opposed to the federal government's attempt to appropriate a piece of the action, as it were, to itself. The Liberals wish to give the federal government a 25 per cent share, no matter what is the extent of Canadian ownership of the project. My party is not opposed to Canadian ownership. Our amendment would permit the government to acquire a share where ownership was less than 50 per cent Canadian. We would permit the federal government to acquire sufficient interest to bring the project up to 50 per cent Canadian ownership.

I am opposed to the assumption that underlies the federal government's attempt to take a straight 25 per cent ownership of projects. It is typical of the attitude that the federal government has always adopted when dealing with the north. Federal governments have rarely demonstrated any real sensitivity to the needs of the north. Federal governments have always, throughout the history of the north, taken the major revenues for themselves and prevented northerners from attaining any degree of control over their own future.

For more than 100 years, political and economic developments in the territorial north have been linked. The nature and establishment of political structure reflected the interest in the north's economic potential for the rest of Canada. When demand for the north's economic resources rose, federal administrative activity and the development of local government increased. When the economic base flagged, the political structures withered and the north, to all intents and purposes, was abandoned by southern Canada. Throughout the period, the essential conflict has been the demand by northerners for a greater measure of self-government and the federal government's reluctance to relinquish ownership and control over the natural resources which would provide the financial base for self-government. Bill C-48 fits into this tradition. It is consistent with the pattern that any time national interest begins to focus on the north, the federal government jumps right in. The only difference this time is that the federal government is being particularly heavy-handed. Bill C-48 will retard the political development that has been so hard won in the north. That is a tragedy.

If you will permit a short review of the history of the north, Mr. Speaker, I will explain why. The Northwest Territories has been defined entirely by the needs of southern Canada. The original territory was composed of the area which now represents present day Alberta, Saskatchewan, Manitoba, northern Ontario, northern Quebec and the present Northwest and Yukon Territories. The Northwest Territories, as we now know them, represent land left over when the more economically productive regions that became Alberta and Saskatchewan were carved off in 1905. Its area was further reduced in 1912 when boundary changes extended the northern limits of Ontario, Manitoba and Quebec. The 60th degree of north latitude was established as the northern boundary of the provinces, apparently on the false assumption that it marked the limits of a viable agricultural economy.

In 1898 political and economic factors led to the creation of the Yukon as a separate territory. Thus the Northwest Territories, as now constituted, emerged as a residual area with little apparent economic potential beyond fur trading activity, centred largely around the Mackenzie drainage basin.

If we examine the political evolution of the Northwest Territories, we can identify two distinct phases. The first is characterized by a colonial form of government, permitting little involvement by residents. The second is characterized by limited local participation through the establishment of local territorial councils, composed of appointed or elected members, or both, and allowed some legislative responsibility if Ottawa so chose. The latest development is the settlement of land claims which would enable native northerners to control their own lands and resources as well as their economic and social priorities.

Over the last 100 years, the territories were viewed as unproductive and little attention was paid to them by the government in Ottawa. In the period following confederaiton, the economic activities of the north centred around the fur trade and, to a lesser extent, whaling. Its government was first vested in the federally-appointed lieutenant governor. Gradually, a form of responsible government evolved as the first legislative assembly of the Northwest Territories was created. In time, more and more legislative rights were granted to the assembly until its powers resembled those of the provinces.

In 1905, however, the provinces of Alberta and Saskatchewan were created from the territories of the northwest. With their departure went the fledgling responsible government. The remaining region reverted to colonial status, fully controlled by an appointed commissioner. There was no provision for elected representation. This totally colonial situation remained until 1951, which is only 30 years ago.

The attitude of the federal government during the period can be politely described as that of benign neglect. The provision of most services historically lagged behind demand.

This cannot be surprising since there were some years when the territorial council did not meet at all. By default, the administration of the area rested in the hands of the RCMP. Church missions supplied education, health and welfare services. Prime Minister Louis St. Laurent described this phase of southern Canada's attitude toward the north in 1953. He said, "Apparently we have administered these vast territories of the north in an almost continuing state of absence of mind".

Changes came only with the Second World War, when the north became of strategic importance to the federal government. Suddenly roads were built and the level of federal government activity increased. In the face of this new attention, residents of the territories demanded to be allowed to participate in the process of change which they could see taking place. They won their first battle when, in 1947, the Northwest Territories was permitted to send its first representatives to Parliament. A second milestone was reached in 1951 when three members of council were elected rather than appointed. At last, a hint of responsible government returned to the Northwest Territories, just 84 years behind the rest of the country. In fact, if my memory serves me correctly, Canadian voters in the eastern Arctic did not have an opportunity to vote until 1961.

Little more was accomplished until the decade of the sixties. In quick succession the rules were changed permitting more and more members of council to be elected. The direct influence of Ottawa diminished accordingly. By 1970 local government was permitted to take responsibility for such services as education, welfare and municipal affairs. This was a period when southern Canada's interest in the north was almost entirely absent.

Although there seemed to be momentum for the development of local government, there was at that time, however, another factor that came into play. Oil and gas were discovered in the high Arctic. Energy reserves in the north became a subject of national interest. The federal government was forced to alter its time-honoured approach to the north. Benign neglect would no longer do. Active control, and in the case of Bill C-48 outright confiscation, rules the day.

By the middle of the 1970s, ten government departments were well and truly entrenched in the north. Understandably, the territorial government viewed their activities with distrust. Such a strong federal presence trampled the efforts to develop a local system of government and the residents objected strenuously. In the face of such opposition, the federal government was forced to pass legislation to strengthen the territorial council. In 1974, it finally became a fully elected body.

It is clear from this history that all federal initiatives have been related to demand for northern resources. I should point out that the network of roads in the Yukon, the construction of the railway north to Pine Point, and the construction of the Mackenzie and Dempster Highways, were all linked to actual or impending resource development.

• (1650)

Today, Mr. Speaker, local government in the north has become fairly sophisticated. Its legislative powers are similar to those of the provinces, with some major exceptions. The most important one is that the territories have no ability to exert any fiscal authority, the power to decide how revenues can be spent. In addition all natural resources, with the exception of game, remain the exclusive responsibility of the federal government. Those resources, of course, include land, and in the Yukon it is impossible or very difficult for Yukoners to buy a piece of land even to build their homes.

While residents are proud of the political status they have achieved, their ability to govern themselves is still severely limited by these unfair constraints. Because they have no control over, and receive no royalties from, the development of their natural resources, they lack an adequate revenue base to sustain their local government and the goal of eventual provincial status.

As I wrote in a report on the social and economic impacts of the proposed Foothills pipeline in 1974, the NWT's major sources of revenue came from private sector licence fees in a region where government is the biggest business; a fuel tax in a region where gasoline can cost twice as much as in the south; a liquor tax in a region where alcohol abuse is rampant; and a general sales tax in a region where a major sector of the population exists below the poverty level.

Today, northerners still lack the right to set their fiscal priorities or decide how their tax dollars are spent, and they still lack the resource revenues to sustain any hope of self-government. The Arctic of Canada remains a colonial Arctic. At the same time it has a growing population, with rising expectations resulting from resource development which is creating an unprecedented level of demand for services, services which the territories do not have the fiscal power to provide for themselves. This is the situation which now faces the north. This is the situation that Bill C-48 is only going to make worse.

My party supports the objective of achieving provincial status for the Yukon. We support a strong system of local government for the Northwest Territories. But self-government will remain an impossible dream for the north as long as the federal government continues to regard the region as a colony ripe for exploitation. The north will be a colony until the federal government allows it to have a more equitable share of resource revenues and grants Canadians in the north the same rights and privileges as southern Canadians enjoy.

It is not too late for the federal government to change. It is my hope that the federal government will learn from the lessons of history and pass legislation that will be sensitive to the needs of the north, more specifically, legislation that will not retard the political development of the north.

I do not believe this is too much to ask for. It is not too much to expect that the government will live up to the priorities that it set for itself in 1972 when the current Minister of Justice (Mr. Chrétien) was Minister of Indian Affairs and Northern Development. In outlining his objectives

at the time, the minister stated that he considered the needs of the people his top priority, taking precedence over everything else, including resource development. That was nine years ago and I think now is a very appropriate time to remind this government of that philosophy, because that philosophy of the people is not reflected in Bill C-48.

In concluding, I would urge the government to give favourable consideration to Motion No. 21. I would also urge the government to rethink its attitude to the north and to consider the implication of its policies. The federal government made the error of withholding the resource revenues from Alberta and Saskatchewan until 1930, 25 years after they became provinces. This was clearly unjust. I ask it now to promote and encourage the development of self-government in the north, rather than impede it, as Bill C-48 is bound to do.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to speak on this motion I would like to impress upon members opposite the fundamental significance of this bill and of the debate which is taking place at this time in the House of Commons. I cast my mind back some 23 or 24 years when the government of the Right Hon. John Diefenbaker had a vision of the north and developed the theme "Roads to Resources". It is amazing how that caught on with the Canadian public. He and that government had a vision. Fortunately for us we still have members in this House who were a part of that government, and I am sure they could speak more eloquently of what the right hon. gentleman had in mind at that time.

One of the idiosyncracies of it all is that the present Liberal government also has a vision of the north, but it is entirely different. It is not a vision to allow that part of our country to develop and grow on its own strength, but rather to use that northern part of our country as it has been trying to use western Canada—to establish its own strength.

I believe the reflection of gold in the eyes of the Minister of Energy, Mines and Resources (Mr. Lalonde) obstructs his view. He does not have an adequate understanding of what the potential is in that part of the country. Otherwise, he would not be stripping it, as he is trying to strip western Canada, of its strength.

We would have had an energy agreement long ago had we not had that election, because the Clark government had an agreement with the province of Alberta. Because the present minister had different ideas from those of the Conservative government of that day, the agreement was 18 months late and this country has suffered severely for those 18 months. I honestly believe we would not have an agreement yet had it not been for the fact that a budget had to be presented by the Minister of Finance (Mr. MacEachen). I am sure the minister would rather have waited until after the constitutional matter had been settled. He would then have moved entirely into the western Canada domain.

May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Western Arctic (Mr. Nickerson)—Pipelines—Alaska Gas Pipeline—Query respecting completion of project—Exports of gas to United States; the hon. member for Bow River (Mr. Taylor)—Housing—Registered Home Ownership Program—Request that maximum permissible level of savings be raised; the hon. member for York-Peel (Mr. Stevens)—VIA Rail—Court actions seeking injunction to halt cancellation of services—Request that minister give financial assistance to groups taking court action.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions and public bills.

The hon. member for Vaudreuil on a point of order.

* * *

[*English*]

POINT OF ORDER

MR. HERBERT—PROCEDURE FOR CALLING PRIVATE MEMBERS' BILLS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise on a point of order. This is the first opportunity I have had to raise this matter since private members' proceedings last Friday afternoon. It deals with the Order Paper itself and what I think is now incorrect information on the Order Paper, as well as the procedure last Friday during private members' hour which has caused me some personal embarrassment.

On Friday at four o'clock the Acting Speaker said:

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

That is what you have just said. Following that, *Hansard* reads, without explanation:

● (1700)

Items Nos. 18 to 156 inclusive on the order paper allowed to stand by unanimous consent.

The House proceeded at that point with item No. 159 on the Order Paper. The procedure we have always followed in private members' hour is that the business would proceed strictly as listed and the Chair would call the appropriate items in the order they are listed.

As you are aware, Mr. Speaker, at the start of every session we have a draw which determines the order of listing on the Order Paper. On Friday, by passing to item No. 159 under private members' bills, 56 bills were passed over. In fact, 59

bills in total were passed over, and of those 59 bills, four were standing in my name. One of those 59 bills was in the name of a senator and two of them were in the name of a cabinet minister. On this point, Your Honour might perhaps consider whether we can leave these listings on the Order Paper because it would imply that either a senator or members of cabinet have the right to proceed in private members' business.

To return to the bills standing in my name, in the view of my constituents these bills were sufficiently important for me to proceed with them. The first one dealt with the Bank Act, a subject of current interest because of high interest rates and large bank profits. The second bill deals with the Criminal Code as it relates to abortion control. The third bill deals with Crown corporations and their responsibility to Parliament and the public. The fourth bill deals with the cost of publishing public reports.

Needless to say, I have many other bills on the Order Paper dealing with a variety of subjects, but it is these four bills which were passed over last Friday which has given the public the impression that I was not serious about these bills or I was not ready to proceed.

Mr. Deans: What is your point of order?

Mr. Herbert: I am coming to it, if you will be patient. No one called me, Mr. Speaker, to ask if I wanted to move second reading of one of my bills, and after a check with one of my colleagues who also had bills passed over, he was not called to ask if he wanted to proceed with his bills either.

Let me clarify precisely what I believe the procedure should have been on Friday, Mr. Speaker, which would have clearly indicated to the public what transpired.

Mr. Deans: Surely this is not a point of order.

Mr. Nielsen: It is an abuse of the time of the House.

Mr. Herbert: The fourth item of business on Friday was in the name of the hon. member who eventually proceeded, and that item of business had to do with the Post Office. He did not want to proceed on that matter at that time. I have no objection whatsoever to the member in question proceeding with another bill. I am not dealing with what was debated on Friday; I am dealing with the Order Paper procedure. I suggest that what we should have done on Friday was, instead of just writing into the record on page 12143 of *Hansard* that items 18 to 156 on the Order Paper—

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. The hon. gentleman is using up the time of the House. He knows that the time limitation placed on debate by the rules expires at five minutes to six. He is deliberately attempting to go over that time in order to avoid being embarrassed again as he was—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for York East.

Point of Order—Mr. Herbert

Mr. Nielsen: Mr. Speaker, I have not finished my question of privilege.

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

Mr. Nielsen: My question of privilege affects the rights of every private member in this House. The private members' hour is a rare privilege. We get only two hours a week for this purpose. That hon. gentleman is abusing the rules of the House by deliberately running out the time here. The Chair should step in and protect the rights of private members.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for York East.

Mr. Collenette: I did not want to rise, Mr. Speaker, but the hon. member for Yukon has made a statement which cannot be allowed to stand in the record of this House. He has imputed motives to my hon. friend for Vaudreuil, one of the most diligent members of this House who uses private members' hour regularly for the purpose for which it was intended. I ask him to withdraw his statement. He imputed motives; he said that the member for Vaudreuil is deliberately wasting time. To make an accusation of that kind about any member is bad.

Mr. Deans: You are doing it now.

Mr. Collenette: The hon. member for Vaudreuil is acknowledged on all sides of the House as being someone who is sincere in his use of private members' hour. I take great umbrage to the House leader for the opposition using that phrase and I ask him to withdraw it. Because we cannot proceed.

Mr. Nielsen: Mr. Speaker, I not only refuse to withdraw it, I will expand it by saying that the hon. member for Vaudreuil is misusing private members' hour; and the hon. member who has just resumed his seat has similarly abused the time of the House.

Some hon. Members: Oh, oh!

Mr. Nielsen: He has succeeded by going over the time now.

Some hon. Members: Oh, oh!

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

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member for Yukon (Mr. Nielsen) has spoken somewhat hastily as far as the Standing Orders of the House are concerned. I know we all have a vested interest in the private members' hour but it should be remembered that if consideration of the motion now before the House is not completed by

the end of the sitting it will remain on the Order Paper and debate may continue some other day. So there is no question of abuse. In any case, the Standing Orders provide that when debate on such motions exceeds the private members' hour, they are allowed to stand. This is the second time we are debating the motion. Furthermore, if the hon. member for Vaudreuil (Mr. Herbert), whose argument and interpretation of what happened last Friday I cannot quite accept, is rising on a question of privilege today, it is certainly not the first time. He has done so on several occasions, and I could mention here a decision by the Chair, one of your distinguished predecessors, the Acting Speaker, handed down on December 5, 1977, concerning the business of the House during private members' hour, and if the then Acting Speaker took the trouble to hand down a three-page decision to clarify the proceedings for the guidance of hon. members and to reach a conclusion which may be somewhat different from that of the hon. member for Vaudreuil—I refer the hon. members for Yukon (Mr. Nielsen) and Hamilton-Mountain (Mr. Deans) to that decision concerning private members' business.

However, I do not want to go on about this decision, it is there for all members to read and can only help to improve proceedings during private member's hour. Meanwhile, may I remind the hon. member that absolutely nothing is taken away. Questions of privilege and points of order are being raised constantly in this House, and if there is any abuse of the democratic process, it is coming from the opposite side.

Some hon. Members: Hear, hear!

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The House was listening to the hon. member for Vaudreuil on a point of order. It has been brought to my attention by the Clerk of the House—and perhaps I could direct the attention of the hon. member to this—that all orders preceding No. 159 were allowed to stand by unanimous consent of the House. From what the hon. member was saying earlier, I gathered he was not satisfied with the manner in which the House proceeded with calling the bills. However, since this was done by unanimous consent I do not think it can be challenged by the hon. member. Therefore, the point of order cannot be pursued.

• (1710)

Mr. Collenette: Mr. Speaker, I rise on a point of order. With all due respect, you did not deal with the question of privilege which was at hand, and I submit it should be dealt with immediately. The hon. member for Yukon made a terrible accusation of an hon. member in this House, and it must be dealt with before any other matter.

The Acting Speaker (Mr. Ethier): I do not have the blues, but the charge which was alleged to have been made and which has been requested to be withdrawn was to the effect of obstructing the work of the House, if I understand correctly.

Beauchesne's fourth edition, Citation 154(5) at page 130 is as follows:

> It is not unparliamentary to say that a statement is untrue, but it is unparliamentary to say that it was untrue to the knowledge of the member addressing the House.

I am sorry, I have quoted the wrong paragraph. According to paragraph (4):

> It is not out of order to say that a member has obstructed the business of the House, or that a speech is an abuse of the rules of the House.

I do not assume there is a question of privilege but, after referring to the blues, if tomorrow the hon. member feels that he was accused wrongly, he can bring the matter up with Madam Speaker at the proper time. I find that there is no question of privilege.

Mr. Herbert: Mr. Speaker, I agree 100 per cent with what you have said but, because of the interruption, I did not come to my point of order.

The Acting Speaker (Mr. Ethier): I suggest that be done forthwith.

Mr. Herbert: It certainly will. I suggest we did not follow on Friday a former procedure we have used in this House by which we substitute—this is on the record, and I can refer Your Honour to the page—one motion for another motion or one bill for another bill, dropping a member's bill down to a position where he has his second bill, thus making it clear to everyone that we have changed the position of two bills. This is the procedure we have followed in the past. I suggest this is the procedure we should have followed on Friday.

Furthermore, three of the first four bills which were referred to on Friday are marked "text received" by Your Honour's own ruling. By the ruling of the Chair bills which were not printed were to be dropped from the Order Paper but, in all fairness to the members who were submitting bills, some time was to be allowed so that where they had submitted texts, these texts could be studied and eventually the bills could be printed. If three of the first four bills in this particular grouping are still marked "text received", that means they have not been printed. Therefore, the rest of us have no knowledge of their contents. I suggest it is now time that where they were marked in that fashion, they should be dropped from the Order Paper in the same fashion that bills where no texts have been submitted are dropped from the Order Paper.

The Acting Speaker (Mr. Ethier): The hon. member may have a personal grievance about the manner in which it was done, but I must remind him that this could have been raised on Friday before unanimous consent was given. Again I remind the hon. member that I cannot entertain this point of order. I think it is a grievance. Perhaps it is a very legitimate personal grievance, but it certainly is not a point of order at this time.

Mr. Herbert: I must reserve my right to rise on a question of privilege on Monday.

The Acting Speaker (Mr. Ethier): That will be taken under advisement.

MOTIONS FOR PAPERS

[*English*]

Item No. 22 allowed to stand by unanimous consent.

ORDERS IN COUNCIL MADE PURSUANT TO CANADA-UNITED STATES AUTOMOTIVE AGREEMENT

The House resumed, from Thursday, October 9, 1980, consideration of the motion of Mr. Herbert:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all Orders in Council since 1965 relative to the remission of duties under the Automotive Agreement.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am surprised that the hon. member for Vaudreuil (Mr. Herbert) would delay the bringing on of this matter because it is very important to the House. The motion refers to all orders in council since 1965 relative to the remission of duties—taxes—under the automotive agreement, which is the auto pact.

I enjoyed working with the hon. member for Vaudreuil on the task force on fiscal federalism. He and I worked very closely together during the period from April to July 24. One of the reasons that task force was successful was that the hon. member for Vaudreuil was able, through a number of Order Paper questions, motions for the production of documents and so forth, to supply to the committee, as a result of his own personal research, information about transfers from the Canada Mortgage and Housing Corporation, about language training program costs, educational and medical expense matters and a great deal of other valuable information. It is in that context that I think we must support the hon. member for Vaudreuil to make sure this vital information with respect to taxes, the payment of duties under the auto pact and the remission of those duties is brought to the attention of the public.

We all know there are four companies—and that is all—which can benefit under the auto pact arrangements. Those companies are General Motors, Chrysler, Ford and American Motors. Those companies are able to bring into Canada auto parts and new automobiles duty free on the basis that they manufacture in Canada to a certain criteria under the auto pact. They therefore can import duty free and for their own benefit. Occasionally they cannot keep to the terms of the auto pact and therefore somewhere along the line a duty remission order—a special order in council—is passed for their benefit.

These automobile companies are not entirely charitable institutions. They charge the people of Canada a pretty good price for their product. Yet they are manufacturers in Canada and should pay the same taxes as anyone else. The auto pact gives them a great advantage over manufacturers in other fields, and people wonder why the auto pact was not complied with. My constituents and, I am sure, the constituents of other hon. members wonder about that.

Duty remission orders are given to these automobile companies to protect them from violations of the auto pact. It is only fitting and proper that the Parliament of Canada should know about that remission of tax because when a taxpayer gets a special deal, we as Members of Parliament who are responsible to our constituents want to be able to say that that special deal was justified. We want to hear the government say it was justified. The government is responsible to this House of Commons for taxes and moneys raised.

If we do not have a sense of fairness with respect to taxes in our society, then there will be people who will say that some taxpayers are treated better than others. I am sure the government would not want that to be the feeling. The government should be happy to comply with the requirement of making information with respect to duty remission orders public.

Mr. Laniel: They are public.

Mr. Blenkarn: If they are public, why are we having this debate? They should have been released. Why have they not been released? That is the reason for this debate. They are not public.

Mr. Laniel: We have never refused.

Mr. Blenkarn: Obviously there must have been a refusal, or the matter would not be on the Order Paper for debate. That is why we are debating this matter, and that is why the information had better be produced. If they are public documents, and I am glad to hear they are, perhaps they should have been supplied. This motion is a result of the refusal to supply. I am sure the hon. member for Vaudreuil would not make a useless motion in this House. I have worked with him on a task force and I know he would not do that.

• (1720)

The hon. member for Vaudreuil should have an apology. He certainly would not come to this House after 45 minutes' debate previously and allow the motion to come on again in order to waste the time of the House if the material was already available. It is not available to me, and I want to see it.

I came to this private member's hour to find out about that material. I want to be sure, when one taxpayer is getting a benefit and another taxpayer is not, that we know the reason. I also want to know what benefits that taxpayer is getting over other taxpayers. That is what a duty remission is all about. That material must be made public.

Before I finish on this matter, I wish to move, seconded by the hon. member for Yukon (Mr. Nielsen):

That pursuant to Standing Order 6 this House continue to sit through the dinner hour this day for the purpose of considering the business now before the House.

I say that in view of the time that has been spent and to get over the 45 minutes under this motion, because if the matter is

completed today at least we will get something completed on the Order Paper and have this matter attended to.

The Acting Speaker (Mr. Ethier): The hon. member for Hamilton Mountain (Mr. Deans).

An hon. Member: What about the motion?

Mr. Laniel: Mr. Speaker, to implement this motion—

Some hon. Members: Order.

Mr. Laniel: Mr. Speaker, I request that the Chair read the Standing Order so that everyone here knows how the rule applies.

The Acting Speaker (Mr. Ethier): The Chair will have to be guided as to who is in favour of defending this motion. All those who propose the motion will please say yea. All those who oppose the motion will please stand.

All those who support the motion will please rise.

The motion has been defeated. The motion has been withdrawn.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, that certainly was an exercise to behold. I cannot for the life of me understand what happened to the yeas and nays and all those other little things. I was told when I took on this responsibility that it was a learning experience and it certainly is. No wonder the hon. member for Winnipeg North Centre (Mr. Knowles) has taken ill!

In any event, I want to speak to the motion before us. I ask the hon. member who is promoting and sponsoring the motion why the motion is before the House. It certainly is a puzzle to me. I read the motion. It tells me that the member wants to have produced to the House all of the orders in council since 1965 relative to the remission of duties under the automotive agreement.

I know that hon. member follows the proceedings of this House diligently. I point out to him that on July 17, 1980 I put on the notice paper question No. 1,457 which reads:

What are the details of each motor vehicle general remissions order granted to the automotive industry between 1965 and June 1980?

The second part of my question read:

Since the inception of the auto pact in 1965, what were the details of each order in council issued regarding the performance requirements of the automotive agreement?

Subsequent to that I asked another question, No. 1,460 of July 17, 1980:

1. From 1965 to June 1980 how many orders in council were issued affecting Chrysler and its subsidiaries operating in Canada and what was the actual wording of each order in council?

2. What amount of customs duty was remitted for each order submitted concerning Chrysler and its subsidiaries?

3. What were the commitments from Chrysler and its subsidiaries in exchange for remitting each customs duty?

4. Did Chrysler and its subsidiaries meet each commitment?

On July 17, 1980 I asked question No. 1,461:

1. From 1965 to June 1980, how many orders in council were issued affecting American Motors and its subsidiaries operating in Canada and what was the actual wording of each order in council?

2. What amount of customs duty was remitted for each order submitted concerning American Motors and its subsidiaries?

3. What were the commitments from American Motors and its subsidiaries in exchange for remitting each customs duty?

4. Did American Motors and its subsidiaries meet each commitment?

I suggest to the hon. member who has asked that this matter be proceeded with today that there is a remarkable similarity between the matter we are debating and the questions that I placed on the Order Paper.

Frankly, I feel compelled to support the hon. member in his quest because it strikes me as passing strange that a member of the government backbench, who stands and supports the government at every turn, even to the extent of embarrassing himself by voting against motions that he himself has promoted, a member who I know is committed to the government and has done everything he possibly can to support the government, cannot get answers to his questions.

It is odd indeed if a member like myself can ask the same questions and be given the answers while this fine, upstanding Liberal backbencher is refused. It is disturbing that I can be asking the questions and receiving the answers, the very answers that the hon. member is seeking, and he cannot.

When you stop to think about it, Mr. Speaker, there is one of two things happening here today. Either that member is being denied access to information which is available to all other hon. members, or else he is wasting the time of private members' hour. It is one or the other.

I ask hon. members to consider what they would prefer to think was happening. Would they prefer the public of Canada to believe that this member was not being given acess to information readily available to all other hon. members? Would they like the public to think that this member was being ostracized by the cabinet and government of this country? He is not being given access to information which is vital while all other members of the House have access to that information.

Or would they prefer the public to think that this member was simply wasting the time of the House? I know he would not waste the time of the House. I just know that would not be the reason for this debate taking place. Therefore I assume, and I hope rightly, that his reason for continuing this debate today is because he, an upstanding member of the Liberal party, having asked for this information, has been denied the very information that was made available to me. Therefore, it is an obligation on the part of each and every member to stand in his or her place and vote in favour of providing that member with the information. I think that is important. In fact, we should have that vote now so the member can get this information, rather than taking any longer on this. I know it is available.

● (1730)

An hon. Member: Let us vote.

Mr. Deans: Quite frankly, I would be prepared to share the information with the member and let him read my copy. However, I know he would like to have a copy of his own. I do not know what he is going to do with it, but I know he would want it.

I say to the members of the House that they have to stop closing this member out. They have to let him into the inner circles of the government. They have to give him access to information. They have that obligation. They heckle me at a time like this when their own member is in despair and unable to gain access to documents.

I see a genuine concern on the part of every member on this side of the House and a desire to support the hon. member for Vaudreuil (Mr. Herbert). I say to him, "We support you. We want you to have this. If you move the motion and get on with the vote, we would be delighted with this or some other appropriate measure being taken to have this vote taken so that this nasty government, which refuses to give him information, will be forced to do so". It is a shame. It also speaks directly, I might say, to the principle of freedom of information. This fine, outstanding member who desperately needs this information, to the point of taking up the time of the House for yet another hour, is being denied by the ministry rightful access to information. I say to you it is mind-boggling.

In any event, Mr. Speaker, I urge you to allow this matter to come to a vote quickly in order that the hon. member not be denied access to information any longer.

Mr. Baker (Nepean-Carleton): None of us will speak until we have the vote.

Mr. Deans: If there is one member of the House who is denied access to information that is available to all other members, that is a very serious matter. In fact, I am surprised that the hon. member, in whose name this motion stands, has not risen on a point of privilege to demand that he be given the exact same rights and privileges as the rest of us.

When he rose at the beginning of the private members' hour, I felt confident that he was rising simply to demand that rights and privileges given generously to everyone else be accorded to him as a member. Mr. Speaker, if you would permit a vote to take place now, I would yield my spot to allow it to take place. I say to the member, "No wonder you are disaffected, no wonder you are disenchanted, no wonder you are angry with this government and no wonder you are thinking of quitting". If I were a Liberal backbencher and were denied what others had, I would feel the same way.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, when this motion was previously discussed, frequent reference was made to the automotive agreement and to the various studies and reports which had been made on the industry in the last few years.

It was pointed out that the automotive industry is in a period of very rapid technological change, and the suggestion was made that the automotive agreement was obsolete and inadequate. I would like to suggest to you, Mr. Speaker, that the research done by the two members who spoke previously is obsolete and inadequate or perhaps inexistent. On page 2231 of *Hansard* the Parliamentary Secretary to the Minister of Industry, Trade and Commerce said:

> Madam Speaker, the documents requested by the hon. member for Vaudreuil (Mr. Herbert) are very voluminous and would require a lot of time and a lot of public funds to prepare. So I would ask the hon. member for Vaudreuil (Mr. Herbert) to withdraw his motion.

At page 3550 of *Hansard*, the hon. member for Vaudreuil is reported as saying:

> As a result of the calling of this motion today, I have had meetings with the officials of the Department of Industry, Trade and Commerce and have reviewed with them the 115 orders in council which have been passed in the intervening 15 years. They made interesting reading. I have several copies with me. Of those 115 orders in council, 67 were passed to take care of companies that were not in existence in 1965 and, therefore, could not benefit from the agreement. Of those 67, 35 companies are still operational.

I submit, Mr. Speaker, that the hon. member has seen these papers. They are available for inspection by individual members, and therefore they are public.

An hon. Member: You are the one wasting the public's money.

Mr. Ferguson: Before coming to a discussion of the orders in council which are called for in the motion, it is probably appropriate to spend a few minutes considering not only the automotive agreement itself, but also the suitability of that agreement in terms of the automotive industry as it is emerging in Canada and in the world today.

Prior to the implementation of the automotive agreement, the Canadian automotive industry had experienced the problems of manufacturing for the limited Canadian market.

Canadian vehicle manufacturers were producing a wide variety of models, with a total production volume of only 600,000 vehicles annually. It resulted in higher costs in both assembly and manufacturing operations than those experienced by their parent companies.

As a consequence of these higher sales, the motor vehicle industry in Canada came to rely on imported components. Faced with a declining market in Canada, Canadian parts manufacturers and producers found it increasingly difficult to meet the United States competition. Canadian content in motor vehicles production in Canada was not growing, and imports of vehicles and parts were increasing rapidly. By 1964, Canada had a trade deficit of over $500 million in automotive products with the United States. The Canadian government, in an effort to encourage specialization and exports to the United States, introduced in the fall of 1963 a duty remission scheme for imports based on export performance. Exports to the United States under this program could have been subject to countervailing duties.

Discussions were therefore held with the United States. The outcome of these discussions was the Canada-United States automotive agreement, signed by Prime Minister Pearson, a Liberal Prime Minister, and President Johnson, on January 16, 1965. The agreement sets forth three broad objectives.

First, the creation of a broad market for automotive parts where the full benefits of specialization and large-scale production can be achieved. Second, the liberalization of United States and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries. Third, the development of conditions in which market forces may operate effectively to attain the most economic pattern of investment of production and trade.

It is recognized that it would be necessary to take into account the institutional barriers to trade, arising out of the corporate structure of the industries, as well as formal governmental barriers, if Canadian industry were to be able to participate effectively in the United States market. In recognition of the differences in size, strength and degree of development of the automotive industry in Canada and United States, conditions were established for Canadian manufacturers to ensure that Canada would derive real and reciprocal benefits on a fair and equitable basis. The conditions are as follows: first, for each class of vehicle, for example, cars, pickups or buses, the ratio of Canadian vehicle production to vehicle sales in Canada achieved by a manufacturer during each model year, expressed in net sales value, must be at least 75 per cent or the percentage achieved in the 1964 model year, whichever was the highest. Second, the Canadian content, with value added that is, in vehicles produced in Canada by a manufacturer—with each vehicle type again taken individually—must be no less than the absolute dollar amount achieved in the 1964 model year.

● (1740)

In addition to these conditions within the agreement, two additional commitments to the Canadian government were incorporated within separate letters of undertaking. These two commitments are, first, to increase value added in Canada in each model year by an amount equal to 60 per cent of the growth in the value of car sales in Canada, and 50 per cent in the case of commercial vehicles: and second, over and above the value added floor stipulated in the intergovernmental agreement and the value added growth arising from increased vehicle sales in Canada covered by the letters of undertaking, there should be a supplementary increase in the Canadian value added of $260 million, or U.S. $241 million, by the manufacturers, in the aggregate, by the end of the 1968 model year.

The United States limited the duty-free entry of automotive imports to Canada, putting the United States in breach of its most favoured nation undertaking in GATT. The United States accordingly sought and obtained a waiver from its GATT partners. The agreement is thus bilateral on the United States side, but on the Canadian side, qualified Canadian manufacturers can import automotive products duty free from any country whose exports are entitled to most favoured nation tariff treatment.

The integration and rationalization of the Canadian and United States automotive industries resulting from the implementation of the agreement has been to the mutual advantage of both countries. In Canada, efficiency gains were realized from economics of scale that were made possible from the reductions in the number of model lines. The degree to which the Canadian industry has become competitive with its U.S. counterpart is evident from the production trend. Output increased from 671,000 units in 1964 to a peak of 1.82 million in 1978, an increase of 171 per cent. Employment in the same period increased by about 711 per cent from 69,000 to 118,-000. It is estimated employment increased by some 30,000 in the related services and supplies industries.

Total automotive trade between Canada and the United States was $22.6 billion in 1980 compared to $796 million in 1964. Over the same period, Canadian exports of automotive products increased from about $100 million to $10 billion. The Canadian trade position changed from a $711 million deficit in 1965 to a surplus of $198 million in 1971 and has since then reversed, with a deficit of $2.0 billion in 1980.

The industry in North America is in the throes of a major readjustment. The factors which have led to this readjustment are many but the most obvious are rising gasoline prices and actual gasoline shortages in the U.S. Consumers are now demanding the smaller, lighter weight, more fuel-efficient vehicles. The industry was unable to revamp its entire manufacturing operations in step with consumer demand. As a result, offshore producers, principally the Japanese, were able to establish a very substantial foothold in the market.

I would not wish to leave the impression that these are the only significant events. Price competition, perceived differences in quality and performance, have all contributed to the situation, as well as major technological change involving emission control, improved engine performance and weight reduction. The cost to the North American industry to introduce these new technologies and convert existing facilities to the new generation of vehicles has been estimated to be in excess of $80 billion. This, coming at a time of high inflation and with high interest rates, has added to the burdens faced by the industry. What now appears to be emerging is an industry that is in the process of modernization, that is becoming more efficient and producing competitive vehicles.

This tremendous upheaval in the industry has upset existing sourcing patterns; not all of the established suppliers have been able to adjust to the change and some have gone out of business, but new suppliers are emerging.

I have outlined this background because without it it is difficult to understand why Canada has not adopted a different posture with respect to the automotive agreement. This government initiated consultation with the Americans under the agreement in April, 1980. The new U.S. administration is committed to continuing consultation on automotive matters.

There has been a primary concern within these consultations relating to the need for a return to health of the North American industry as a whole, and of course there were consultations on a broad range of specific issues including

Japanese imports, the arrangements we made with Ford and, more recently, the remission program for Volkswagen.

Thus, even though our preoccupations have been the Canadian industry and how it performs, the government recognizes that the Canadian industry is a part of the world automotive industry and we cannot consider our problems in isolation from what is happening in the industry worldwide.

The automotive agreement has, I believe, provided an excellent framework which we must now build around to accommodate the emerging new industry. The Volkswagen arrangement encompasses much of what the government sees as being the way of the future.

Orders in council to bring about adjustment to the automotive agreement where it involved Canada's implementation of that agreement are therefore a necessary part of the administrative process. There has been no attempt to conceal the decisions which have been taken, and in fact it occurs to me that many of the automotive issues have been aired quite frequently, not only in this House but also in the press and other media, including the *Hansard* record to which I already referred.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, so many untruths have been told in the House this afternoon that I cannot allow this debate to end without pointing them out. I could follow in the footsteps of my distinguished colleague who has just given us some more details on the background and objectives of the automotive agreement, but I would rather explore another avenue, which may help our hon. colleagues to understand what the automotive agreement is about, and why the government must act by order in council to make sure that the automotive industry is most beneficial to the Canadian economy.

I think a few examples would illustrate what I mean. The automotive agreement must be implemented so as to respect the interests of Canada. Although all the provisions of the agreement are clearly indicated in the 1965 Auto Pact, no provision could be made at that time to ensure some flexibility in its implementation and that is why the government is proceeding by order in council. I would invite my hon. colleagues to consider the situation of various companies who have sought orders in council from the government. Chrysler, Ford and Volkswagen came to Canada to make investments or a commitment to become more involved in the development of our country, with a degree of flexibility guaranteed by an order in council within the framework of the auto pact.

Mr. Speaker, if we refer to the order in council concerning Chrysler mentioned earlier in this debate, we can see that it was not penalized for not achieving its production-sales ratio. That charge was levelled at Chrysler regarding its production of commercial vehicles during the seventies. Instead, the government asked Chrysler to compensate for its shortfall by investing in a new truck plant in Windsor. The long-term economic impact of this investment in terms of employment, income and taxes has been far greater than the short-term effects would have been if we had asked Chrysler to pay back the remission of duty it had been allowed. This specific situation required an order in council. However, the order did not provide for further benefits for Chrysler and did not change the requirements concerning its participation in the auto pact.

There have always been some consumers who prefer to buy imports. To help Canada benefit from the sales of these cars, the government has tried through a customs duty remission program to urge foreign automobile manufacturers to purchase some of the parts for their cars in Canada. The initial program required that parts bought in Canada return to Canada in assembled cars. The program was then extended so that the remission would apply on the basis of parts purchased in Canada and used for vehicle manufacturing whether the vehicles come back to Canada or not.

Since some believe that the government is making changes to the automobile agreement without full knowledge of the facts, the government has insisted on justifying its decisions and revealing as many facts as possible. I am referring to the announcement made by the hon. Minister of Industry, Trade and Commerce (Mr. Gray) on January 5 concerning the conditional amendments to the ratio applicable to the Ford company. On that occasion, the minister gave full details about the advantages which would result from the agreement and he clearly indicated the conditions Ford had to meet if it wanted to continue to participate in the automobile agreement.

Mr. Nielsen: Six o'clock!

Mr. Laniel: I should—but the hon. member does not want explanations, he does not want to understand the problem, he is not interested in the automobile industry as far as I can see. Mr. Speaker, the requirements have been clearly outlined, and they may not have satisfied the hon. member for Hamilton-Mountain (Mr. Deans), but it still remains that the government has not been afraid—

• (1750)

[*English*]

Mr. Deans: On a point of order, Mr. Speaker, I wish to draw Your Honour's attention and ask you to review the content of the hon. member's participation this afternoon. At the beginning of his speech, he made the point that many untruths were uttered here this afternoon. Since I was one of only three members who had spoken prior to his speaking, I wish to make it clear that I reserve my right to challenge that statement tomorrow at an appropriate time, once I have had an opportunity to review the blues, or I ask the hon. member to withdraw that statement now rather than have the matter raised again tomorrow.

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

Mr. Laniel: On a point of order—

[*Translation*]

On a point of order, Mr. Speaker. I think this will be an easy one for you. It has been said that there is nothing worse than people who do not want to understand, but indeed there is worse still—people who do not want to listen. If only the hon. member for Hamilton Mountain had been listening earlier when my colleague behind me had the floor. My colleague gave clear and unequivocal answers to the questions raised by the hon. member. Before seeking the floor in the House, the hon. member had not even gone to the trouble of examining the file and reading the first hour of debate when even the hon. member for Vaudreuil admitted that he had had access to the 115 orders in council of the government. The hon. member is here to confirm that and it is,—

[*English*]

Mr. Speaker, I wish to quote, as I hope the hon. member wants to know the truth—

Mr. Deans: Mr. Speaker, I know that you are fully aware of the fact—

The Acting Speaker (Mr. Ethier): Order, please. I thought the hon. parliamentary secretary had the floor on precisely that question of privilege.

Mr. Deans: Well, he was not dealing with it.

The Acting Speaker (Mr. Ethier): Therefore, I have to hear the hon. member out.

Mr. Laniel: Mr. Speaker, to reply to the hon. member concerning one of his assertions accusing me of imputing motives, or of implying that hon. members did not tell the truth, I say that he did not tell the truth as it is. In answer, let me point out to the hon. member that on October 9, 1980, as reported on page 3550 of *Hansard*, the hon. member for Vaudreuil (Mr. Herbert) stated:

> As a result of the calling of this motion today, I have had meetings with the officials of the Department of Industry, Trade and Commerce and have reviewed with them the 115 orders in council which have been passed in the intervening 15 years. They made interesting reading. I have several copies with me. Of those 115 orders in council, 67 were passed to take care of companies that were not in existence in 1965 and, therefore, could not benefit from the agreement. Of those 67, 35 companies are still operational.

When the hon. member stated today, with tears in his eyes, that we were—

Mr. Nielsen: Filibustering.

Mr. Laniel: —preventing the hon. member for Vaudreuil (Mr. Herbert), from having access to information and documents, he was not telling the truth, because he did not take the trouble to read the speech of the hon. member.

Mr. Taylor: Why are you wasting our time, then?

Mr. Deans: I now ask that the hon. member be directed to withdraw that allegation. At no time did I tell anything that was untrue. In fact, if Your Honour recalls, I said that there was only one of two interpretations which could be placed on this motion which was brought before the House. One was that the hon. member had not been given access to the information, and the other was that he was unnecessarily taking up the time of the House. I chose not to believe the latter, since I trusted that the hon. member was honest.

I ask that that unparliamentary remark which was attributed to me be withdrawn now.

Mr. Taylor: Stop wasting our time.

Mr. Laniel: Mr. Speaker, I know the hon. member—

Some hon. Members: Order, order!

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

Mr. Herbert: Mr. Speaker, let me just clarify a point for the hon. member for Hamilton Mountain (Mr. Deans). He talks of two alternatives, but he has forgotten the third alternative. Whatever may be available to me is not necessarily available to the public, and is therefore not in the public domain. He left out that third alternative.

Mr. Deans: Quite possibly, but that does not give him the right to say what he said.

The Acting Speaker (Mr. Ethier): The hon. member for Hamilton Mountain (Mr. Deans), in his question of privilege asked that the hon. member withdraw his remarks forthwith. I think that in the context of the debate this afternoon, we hear these charges regularly—

Mr. Deans: No, no.

The Acting Speaker (Mr. Ethier): —that the hon. member who spoke previously was not stating the facts or that his facts were not true. But I heard no specific charge. If the hon. member feels, after referring to the "blues" and to *Hansard* tomorrow, that he has been personally accused and he thinks he has a logical question of privilege, he might raise it before Madam Speaker at the proper time.

Some hon. Members: Six o'clock.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

The Acting Speaker (Mr. Ethier): When the debate was interrupted at five o'clock this afternoon, the hon. member for Red Deer (Mr. Towers) had the floor.

Mr. Gordon Towers (Red Deer): Mr. Speaker, when I spoke earlier this afternoon I said that part of the problem, not only in this bill but in the over-all oil industry in Canada, is the fact that the Minister of Energy, Mines and Resources (Mr. Lalonde) has had his vision flecked with gold. The government is in such a poor position that the minister thought it was yellow gold, but I am talking about black gold which is pumped out of the ground.

The minister is not seeing the present situation in a realistic manner when he uses confiscation methods. The oil and gas industry has relied primarily on private enterprise to get it to its present point.

Approximately 40 years ago the Premier of Alberta came to eastern Canada to finance the development of the industry in the west. At that time there did not seem to be much interest in it, so the premier approached private developers in the United States. That is one reason why the United States has had such a great interest in the oil and gas industry. But now all of that is changing. As I have said, the Minister of Energy, Mines and Resources has had his vision smudged with oil, which is unfortunate because, as a consequence, we will all suffer. The idea of having oil self-sufficiency by 1990 is just a myth. It will be pie in the sky if the government continues its present direction.

Massive amounts of money have moved out of the country, both within and outside the oil industry. A reputable firm has estimated that approximately $17 billion a year leaves Canada. A great part of the blame for this can be laid at the door of an unhealthy oil industry. Some oil companies are leaving the country because of the present government's policy, which is resulting in an unhealthy economic community. One cannot have a healthy economic community if the government continues to confiscate by its so-called Canadianization policy.

In actual fact it is nationalizing the industry. This destroys faith in the industry. I would be very close to the right figure if I suggested that the Government of Canada has put about $2 billion of Canadian taxpayers' money into Petro-Canada. This is probably debt money which eventually will have to be paid by the taxpayers. On top of that, $1.5 billion has gone into Petrofina. There is no return on this investment to the Canadian taxpayer or to the Canadian government. However, if private industry had made the investment, there would be a return because that is how private industry operates.

This is the sound basis upon which the industry has been built, but the government sees fit to destroy all of that. It is a shame because Canada's oil and gas industry has come a long way. Canada was on the road to oil self-sufficiency, but the present minister of energy, whose vision is impaired by oil, is destroying all of that. Eventually we will all suffer because of what the government is doing. In fact, we are already suffering.

Not too many years ago when the great Canadian oil sands project was starting to be developed, I had the privilege of meeting with the then president of GCOS. He told me that we did not have the technical knowledge and ability to develop the project the way we should. But we were on the road to accomplishing that in northern Alberta. In order to become energy self-sufficient, that is the direction we have to move. But what is happening today? Not only are we losing oil equipment and the enthusiasm of companies to get projects going, we are losing the technical people who are needed to attain energy self-sufficiency. Anyone in the industry will tell you that it takes two to three years to train someone for these specialized jobs. These things are not being done. Jack Masters, the president of Canadian Hunter Exploration Ltd., and U.S. immigration officials will confirm that there is a stampede of Canada's best oil brains going to the United States. Obviously they are going because it is the closest community where they can find jobs. No doubt they are going because the United States has a vision of self-sufficiency in the not too distant future. In Canada this vision is fading. People are leaving Canada because of the national energy policy which is forcing small independent oil firms to cut costs by laying off their technical staff.

• (2010)

This is wrong, Mr. Speaker. The government is leading us into the position of having one or two mammoth national oil companies in the future. This means there will be no room for these small Canadian companies. Many people do not really understand the oil industry. They think everybody who is associated with the industry is a millionaire, and they relate the industry to multinationals. There are hundreds of small Canadian companies which must be involved in any move toward self-sufficiency in oil or energy in Canada. If we lose them, self-sufficiency will not be attainable by the year 1990.

A reported 25 to 35 Canadian energy companies have opened offices in the nine-state Rocky Mountain region over the past 21 months. This involves people we require in Canada. Mr. Masters went on to say it is, "a panic flood of the best technical people in the Canadian oil industry. They're trying to save their skins, their income and their lifestyle by getting down into the United States." Mr. Masters and other knowledgeable people in the industry fear there may be wholesale lay-offs around the corner.

It will probably take that to bring the present government to the realization that what is happening in the west and northwest is having ripple effects. We lose jobs, equipment and projects, and this means there will be massive lay-offs in eastern Canada. The oil industry is not made up entirely of multinationals; it is not the "Seven Sisters". It is not all made up of service stations and millionaires. The oil industry is made up of men and women with families and small businesses; it is made up of hundreds of small Canadian entrepreneurs. Let me impress upon you, Mr. Speaker, that those entrepreneurs are losing their interest in the industry today. They are just trying to hang on by the skin of their teeth.

Under Bill C-48 we are losing the ability to provide what is required by Canadians. The motion as presented by my colleague, our critic, would provide investment by Canadians in the industry so that they could make the decisions as to the direction and best management of whatever operation is involved. Surely we in Canada have come to the stage in life when we can see the benefits accruing to countries which rely on private enterprise.

I was reading an article the other day which said private industry is just about finished in Sweden. The government bureaucracy is going to take over. Let me assure you that when that happens in any country, its future is beset with problems.

The National Energy Program will result in a loss of jobs in manufacturing plants in central Canada. Jobs will be lost in steel mills and foundries, in plants manufacturing pipes, boilers and pressure vessels, valves, turbines, construction equipment, pumps, compressors and electrical and transportation equipment. Just think of all the trucks manufactured in eastern Canada which will never be sold because of what this government and this minister is doing to the industry in western Canada and the north.

These are just some of the companies for which there is no longer room in the scheme of things the government has embarked upon. Colonial Oil and Gas Ltd. has a 1981 exploration and development budget of $20 million, of which $10 million is earmarked for the United States. Ocelot Industries Ltd. plans to spend half of its $84 million 1981 exploration and development budget in the United States. Bighart Oil and Gas Limited is investing 100 per cent of its 1981 $5 million exploration and development budget in the United States. That company has also opened an office in Texas. Canada Northwest Land Limited will spend 75 per cent of its $7 million or $8 million exploration and development budget in the United States. Canadian Hunter Exploration Ltd. has offices in Houston, Denver and Salt Lake City where it is spending 90 per cent of its 1981 exploration and development budget. Lochiel Exploration Ltd. will spend a third of its $15 million exploration and development budget in the United States. Omega Hydrocarbons Ltd. expects to spend a million in the United States this year. Ram Petroleums Ltd. will spend 90 per cent of its $6 million 1981 exploration and development budget in the United States this year. Rupertsland Resources Ltd. will spend 75 per cent of its $40 million 1981 budget in the United States. PreCambrian Shield Resources will direct 40 per cent of its budget from a Houston, Texas, office. Scepter Resources Ltd. has an office in Colorado, and intends to spend $38 million of a total of $70 million corporate and drilling fund exploration and development budget in the United States. Another $8 million will go toward international plays, and only $24 million will remain in Canada. Prairie Pacific Energy Corporation's $2 million exploration budget goes to the United States.

The list goes on and on and is as long as the list of companies in Canada. They are not looking for oil, and this is what is happening. These are all Canadian companies. What do we have to do to impress upon this minister and the government that we must involve private individuals in Canada in the process, as they were in the past and as they will continue to be in the future? That will not be the case if the government continues to lead us on this course.

Pundits and oil experts ask what sort of conditions will have to be created in this country to patriate the money and the invaluable technical expertise. A Calgary writer states:

> However, with returns in the U.S. for oil so vastly greater than in Canada, and with the gap widening, it would appear these investment dollars have found a permanent home.

Why not? Why would they not stay there as a result of the way they have been treated in Canada? The loss to Canada is an incalculable blow to the objective of energy self-sufficiency. We shall never attain that if we follow the direction in which this government is leading us.

The stated aim of the energy program, as I said earlier, is, supposedly, Canadianization of the oil industry. What this government has done, and there is adequate proof, is to Americanize the industry at a tremendous cost to our people; lost jobs, lost drilling rigs, loss of our accumulated expertise, and the loss of our energy self-sufficiency goal. They, and by that I mean the people living south of the 49th, will attain energy self-sufficiency long before we will, simply because of the programs they have embarked upon, and because they rely on private enterprise to do the job for them.

The current casualty report shows that over 131 drilling rigs will leave the country this year, leaving only 471 behind. Drilling days will decline from 140,000 in 1979-80 to 92,000 in 1981-82.

● (2020)

Perhaps the Minister of Finance (Mr. MacEachen) does not realize that next year and the year after, these people who have lost their jobs will not be paying income tax. In fact, they will be writing in for refunds. Just think of what that will do to the national treasury.

I noted, as a result of a question in the House yesterday, that it is costing Canadians 25 cents out of every dollar the government spends to finance the national debt. The government is only adding to the national debt by this policy.

We are embarking upon a disastrous course. If the members opposite continue to follow the minister in this disastrous—

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

Hon. Ron Huntington (Capilano): Mr. Speaker, I am pleased to have this opportunity to make a few comments on the serious and damaging aspects that Clause 27 of the Canadian Oil and Gas Act carries for the future of this country. I would also like to take the opportunity to express some of the deep concerns that we in the west have about this type of legislation.

An hon. Member: We are on Motion No. 21.

Mr. Huntington: I wish the member knew what he was talking about. We are on Clause 27 and are speaking to Motions Nos. 21 and 22.

It is obvious I will have another night of interruptions, but I think I will be able to handle them. My colleague, the hon. member for Calgary South (Mr. Thomson), as reported at page 12227 of *Hansard*, has once again given the House and the country a most thoroughly researched and ominous warning of the difficulties we are facing in Clause 27. This so-called Canadianization clause is, in truth, a nationalization clause. The hon. member for Calgary South pointed out in his warning that under this clause of the act we are likely to experience a daily shortfall of oil in the order of 1.1 million barrels per day by 1990. This clause will not provide Canadians with energy self-sufficiency by 1990, but it will give us the potential of that kind of an import need. He also pointed out, as did my colleague from Red Deer (Mr. Towers), the disastrous attrition that has taken place within our exploration abilities since the combination of Clause 27 of the Canada Oil and Gas Act and the constitutional package were delivered to this country.

Today we have two great freedom bells ringing. We have the charter of rights, and we have the Canadianization of our oil and gas industry as called for under Clause 27 of this bill.

This freedom clarion has the depth, morality and sincerity of the big red L and the big red maple leaf ink stain. It is a red blot that is smothering the history and evolution of Canadian morality. Canadianization, as it is meant in this clause of the bill, is in effect confiscation. It is theft and it is piracy. I do not see any other definition for it.

I never thought I would live to see this kind of act passed on the North American continent. Canadianization, as it is meant by the Liberal government, is nationalism. The bill as it stands now allows the government to take 25 per cent ownership of only the winners, without cost. I repeat, only the winners. There is no obligation for the government or for the Crown corporation to share in the cost of the dry holes or the tremendous front-end exploration costs that precede all drilling activities. This bill allows the Crown corporation access to all the intellectual property that the private sector has so dearly paid for over the years.

The New Democratic Party is not satisfied with the devastation of the 25 per cent back-in clause which the government has proposed. It wants to create absolute havoc by increasing this to 50 per cent in their Motion No. 22. If Motion No. 22 were accepted, it would bring all activity in the frontier to a halt.

In the mid-1970s this country had an opportunity to achieve full employment and oil self-sufficiency by the 1990s. We have lost that opportunity. A generation of young people who came out of our school system, anxious to carve a spot for themselves in Canadian life, have been denied this opportunity because of the deliberate interference of the government in the marketplace.

I have had to ask myself many times why we have had this succession of policies which have interfered with the opportunity for full employment which this country was blessed with. I believe the answer is in this bill. It is in the Canadianization aspect of this clause. It is also in the New Democratic Party Motion No. 22 in which they want to lift the back-in threshold to 50 per cent.

My colleague, the hon. member for Etobicoke Centre (Mr. Wilson) moved motion No. 21 which merely states:

"(2) Her Majesty in right of Canada is hereby vested with and the minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of 50 per cent",

Never has this party done other than agree with the objectives as presented by the government in the Canada Oil and Gas Act. The first objective rings beautifully: energy self-sufficiency. Why, then, does it do everything it can to prevent participation by Canadians? What a misleading twist that is. We are talking about state ownership, not participation by Canadians.

The other stated objectives of this bill are fair pricing and revenue sharing, but that is not what is being delivered. What is being delivered is a policy that has caused many of us in this country great and deep anguish.

Socialism cannot be imposed from the top down. It has to be a grass roots movement from the bottom up. It is not possible to create the social unrest necessary to bring about a socialist state if people are working and the economy is healthy.

Of all the countries in the world, Mr. Speaker, Canada is the one which could make a major donation to the Third World by stopping our reliance on non-renewable energy sources from abroad. Since 1976 we could have been fully employed by moving from the Syncrude plant all that engineering and labour and skill capacity over into another Alsands plant. We could have been building the Mackenzie Valley pipeline, which would have sent that energy locked in the north down to our neighbour in the south who pays the military bill which gives us our cloak of freedom. We could have been phasing in one megaproject after another. Cold Lake, which was going to be in place and on which great sums of money had been spent—and individual people like you and I, Mr. Speaker, had moved in to invest in that growth opportunity—is dead. It lies dead and cold. We could have built pipelines for gas to the maritimes and Quebec as an oil substitute. Why were these things not started in the mid 1970s? We could have moved to replace oil with gas. We did not. We could have been energy self-sufficient by 1990. We could have stopped the drain on world resources. We could

have introduced fiscal policies which would have added further value to our resource products. We could have introduced fiscal policies which would have replaced the incentive to work as well as the incentive to save back into our economy.

• (2030)

But under the regime that is radicalizing Canada, these entitlements have been denied the Canadian people and the people of western Canada. Instead we have received a plethora of regulations and legislation which is increasing the frustration and anxiety levels of the people. We have policies which aggravate and irritate, policies which heighten the frustration levels of our people, policies which deliberately create tensions, and policies which create heavy and unnecessary regulatory and paper burdens on us. We have policies which deliver more power and control to committees, tribunals, commissions and bureaucrats. We have policies which collectivize, drown and smother the individual and the private sector. Why? The answer is that it must be deliberate. They are the policies of socialists who are now in control. They are the policies of people who have infiltrated the Liberal Party of Canada, the once defender of the individual and of individualism in this country.

Mr. Nielsen: It no longer exists.

Mr. Huntington: We have radical policies which go beyond the wildest dreams of the left wing of the New Democratic Party. We have policies which deliver frustration, bitterness, division and the regional antagonism which is so intense and growing at such a frightening rate in this country.

Socialism can only be created from unrest and crisis amongst the masses, and Clause 27 of this bill is right at the heart of that. A socialist state cannot be created when people are at work, when they are achieving goals and when they are able to pay for their homes and their private property. That has been denied the people by the government, and that is what we are debating in Motions Nos. 21 and 22, which would amend Clause 27 of the proposed Canada Oil and Gas Act.

A terrible shame lies on those Canadians whose political perception is no deeper than the thickness of a paper label. Canadianization in the sense of Canadian people owning 50 per cent of their oil and gas resource industries—yes. That would allow us to provide the pension plans necessary to relieve the burden on a reducing population in our work force, but nationalization and confiscation—no.

Some hon. Members: Hear, hear!

Mr. Huntington: Britain's professor Flores said this:

> The private sector can be defined as the part of the economy that the government controls.
>
> The public sector is the part that nobody controls.

That is what Bill C-48 is delivering us into. Just look at the terrible national tragedies of the nationalization of the major industries in Britain. They are national tragedies, bringing that once great country to its knees, because there is no incentive and there is no magic left for the people in the work force and the people coming out of the universities. That is the issue.

An hon. Member: What about Maggie?

Mr. Huntington: Just look at the economic disasters of Leyland and the British Steel Corporation. The tragedy is that the British have a massive North Sea resource, and they are mismanaging their state-owned economy so badly that they will dissipate that resource before they can come out of it and protect the welfare state which is so dear to them. That is the tragedy.

I wonder why that great NDP haven and example of the perfect life for the masses—I am speaking of Sweden—has backed away from increasing state ownership, to the point now where the state owns less than 5 per cent of the economy. I wonder why. And here we are nationalizing one of the most important aspects we have in Canada. What we are dealing with in Clause 27 and Motion No. 21 is fundamental to our future and to the protection of our sense of individualism in this great land. What we are dealing with, as a bottom line, is our freedom. If we allow ourselves to become organized and structured by the state, we lose that human magic. Organization interferes with the incentive to create and be efficient, and that magic is being smothered by this clause and by this bill.

In countries which lose their economic freedom there can be no political freedom. That is the issue in this motion tonight. I say to hon. gentlemen opposite that it is too late now for the Canadian electorate to wake up, but I ask those hon. members opposite with minds and concerns—and I know there are some—please, wake up and realize what a serious issue we are dealing with. Organization of this kind denies us the magic that is in the human soul, and it is that magic which built this country and delivered us into the sense—perhaps the false sense—of wellbeing we have today.

Some hon. Members: Hear, hear!

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I do not think it needs to be said, but let us get one thing very clear: I am not a socialist. I am a free enterprise person. As was pointed out by the previous speaker, I believe we have seen examples of the folly of trying to direct the economic operation of the private sector by government, by ministers, by bureaucrats and by boards. It has not worked.

An hon. Member: What about Suncor?

Mr. McCain: Yet the clause we are now considering is one which takes one of the biggest steps ever taken in any legislation of the House of Commons toward further regulation, expropriation and management of our affairs in a very important part of our economy. It is all being done with a careless lack of concern and a total lack of consideration on the part of the back benches of the government. I suppose one could say that it is in fact the government—the Prime Minister (Mr. Trudeau) and the cabinet—which is doing this, but that is not the case. Some of us have been in this House long enough to know that a thoughtful presentation by backbench members of

the governing party whether it be on VIA Rail or Bill C-48, can redirect the energies of the government and its legislation. As a matter of fact, at this moment that is the only force available to save this country—and it needs saving.

● (2040)

Many suggestions have been made about how these things should be done. Let us look at one of them. We had a situation during the seventies when the Government of Canada was very concerned about whether we would have sufficient supplies of petroleum products for our economy to function. In those days we established an economy and a tax structure which would permit older companies and younger companies to go into the business in a fashion which promised us self-sufficiency by 1985 at the latest.

That has now been wiped out. Those tax incentives at no tax dollar expense were wiped out, first, by the national energy policy, second, by the agreement between the federal government and the provinces and now, to confirm and aggravate the whole situation, by Bill C-48. We cannot have self-sufficiency earlier than in 1990. There will be a minimum of five years' delay. If, as we on this side anticipate, the industry is negatively affected by this legislation, we may be looking at 1995 as the earliest possible date of self-sufficiency.

The first step taken was to delay the two heavy oil plants, the oil sands and in situ. They have been delayed for a minimum of two years. Even if we were to decide tomorrow to build those plants, it would be at least another six months before they could be reactivated, reorganized and the proper skills put in place. This means a minimum of two and a half years and 250,000 barrels of oil which could have been on flow earlier than in 1985.

By 1985, it is estimated that the price of oil in Canada will be a minimum of $50 a barrel. We are looking at $75 million a day which is going to be shipped out of this country. It is estimated that the cost of the delay of exploration and development in the oil industry as brought about, first, by the policy, later by the agreement and now by the legislation, will be an additional $50 billion of Canadian money which will have to flow out of Canada and which should be flowing in our own systems.

That is in the short term. What will it be in the long term? In the meantime, let us consider the cost of inflation and the 20 or 25 per cent money which will have to be used. That would not have been necessary had we provided the incentives. Now it is necessary to borrow that money at those prices and probably double the size of the sum.

The industry is being wound down. This act, this section and this clause, contribute to the literal hemorrhage of Canadian currency outside this country. It is promised that the hemorrhage will continue for many unnecessary years.

An hon. Member: It's deliberate.

Mr. McCain: I agree. It is absolutely deliberate. It is pre-planned. If those seated to the right of the Speaker do not see it today, they will rue the day tomorrow. Some of them should listen. We are in dangerous times, not so much because, as the former Speaker said, we may have social problems on our hands because of unemployment, the cost of living, interest on money, the cost of oil and gas and all those other things that are so necessary, but because the government will be blamed for feeding the problem, nursing the economic ills facing us. Are they not concerned? Have they not given this serious consideration?

There is a propaganda machine at work in this land the like of which Goebbels never understood, expert that he was. The propaganda machine is the slickest, smoothest, most devastating and frightening machine I have seen in any of the history I have read, modern or ancient.

The people of Canada have been convinced that profit is a bad thing and that they should not contribute to it. The government refuses to illustrate to Canadians the fact that the old system would have made us self-sufficient in oil, our dollar would not have dropped in value and interest rates would not be so high. We would not have to borrow so much to buy so much abroad. It is an insidious thing. I do not know how to extend the concern that we should have to the public of Canada.

I wonder whether any of the Liberal backbenchers have given any thought to where we are going to get the trillion dollars it is estimated will be necessary by the year 2,000 to supply this country with oil. Where will it come from when we are going to have to spend tens of billions of dollars for the importation of a product which we do not want and would not have needed had we continued with the policies of the seventies? It would have been here. This is going to come out of the pay cheques of the workers and into the tills of their living expenses.

I learned something today which is very depressing. I know that our provinces, municipalities and perhaps our federal treasury have had to go abroad to borrow. They found that the New York market was not convinced that Canada was as sound as they used to think it was.

The American financiers do not particularly want Canadian securities, whether they come from any of the three levels of government or from the corporations of Canada. If you examine the financial situation today, you find that companies are no longer going to New York for money because there is no longer confidence in our economic structure. They are going to jurisdictions such as Japan, Switzerland, the United Kingdom, any country which may have money and is prepared to risk it in Canada. It is a serious situation.

It used to be that our economy and the fiscal monetary policy in this country were so sound that we could get money at preferred rates in New York. Now we have to go where money is running out their ears before we can get it. It is not available in New York at attractive rates. Part of the reason is this act.

When a lender looks at an economic jurisdiction in which there is retroactive expropriation without compensation, it

does not look like a very good place in which to invest your money, and that is what it is. Every aspect of our oil industry has been delayed by the quarrel between the provinces and the federal government because of the declaration of ownership by the Government of Canada over the rights of the provinces in the offshore lands under regulations which the federal government established in spite of the fact that the provinces were already making regulations. As a result, they became overlapping and conflicting.

That is what happened when we were short of oil. It has come to the point where a corporation that puts its money into a Canada lands situation does not have any idea whether its lease will be secure after the five-year period. Even worse, the powers allocated to the Minister of Energy, Mines and Resources (Mr. Lalonde) are such that if he should so desire, he may tell a company that next year it must drill three wells in a particular property. That is his authority, the threat being that if they do not drill those wells, the property will not be theirs at the end of the year.

● (2050)

There are two dangers that will frighten any investor. First, is the equipment available to drill that many wells on the property in which I have already invested my money? Second, will the cost of the wells destroy me financially? That is the problem, Mr. Speaker. Why would anyone be interested in investing on a piece of land which he may have? Did it ever occur to you that Canada lands include these offshore waters? Did it ever occur to you that it may cost $150 million to drill a single well? Let us suppose that a Canadian corporation has done its preliminary work, applies for an exploratory permit and is allocated the land, and the minister says, "Yes, but you must drill three wells offshore in the next year." It is impossible. The equipment is not there and it is not available. It may also be impossible because of the massive expenditures expected over a short period of time. When that is coupled with the fact that the minister may not renew the lease after five years, and then can tell the guy at what price he is going to sell, what volume he will move out, and where he is going to sell, the poor fellow cannot call his soul his own. Only the minister knows your fate. What an uncertain environment in which to invest your money!

We heard a great deal from those on our left as to the massive interest kept in the hands of the United Kingdom, the Norwegians, and on and on. Mr. Speaker, the one thing they are overlooking is that both those jurisdictions established a very attractive exploratory environment for the people who invested in exploration. For instance, if one owned a drilling rig and wanted to use it in the North Sea, the United Kingdom extended a tax write-off privilege in which that rig could be written off against operations revenue in one year. If you did not like that, then you could undertake to lease the rig. You could then write if off on a five-year basis, pay the lessor $1 and you owned the rig in five years.

If this act contained the recovery opportunity that existed in the British North Sea lands, that would be a different kettle of fish. However, let us not simply refer to ownership of the lands by the United Kingdom or by the Norwegians. Let us take a look at what is left. The only thing that is left here is uncertainty and regulation. The developer is assured of nothing else.

What is happening? Not only are the land-based rigs leaving western Canada—and it is estimated that 175 may leave—what is even worse is that the corporations are laying off the human capabilities, the expertise. Both the labour force and the scientific expertise are being dispersed, laid off, fired and lost to this nation. That we cannot afford. We cannot assess that visually or physically at this moment, as we can the $50 billion that we will spend because we are two and a half, three or maybe four years late, with the tar sands and the in situ plants, and maybe we will never develop them.

What are the possibilities? In the Hibernia field alone the possibilities are massive. What a beautiful thing it could be if we would only give to those explorers and developers an opportunity to recover their money so that they would have the incentive to go in there. It is simple to say, "Look, we are not going to have international corporations collect our money". What you are overlooking, Mr. Speaker, when you oversimplify that statement as part of the propaganda machine, is that the small Canadian companies, which have explored and developed resources they cannot market under this regulation, have lost more of their cash flow than have the multinationals. That is something that has not reached home to the back bench members, and certainly not to the public of Canada.

The ongoing operators will have some recovery in their depletion allowances. It is the new operator, with the resource still in the ground, with no markets and no connections with which to market, who is suffering. It is the new guy who has lost more of his cash flow than has the multinational. That is a deception of the vilest, most mischievous kind that could be extended to the citizenry of this nation, Mr. Speaker. Nobody will publish it and nobody will put it as a headline in *The Globe and Mail*, or *The Telegraph-Journal* or the *Toronto Star*. That is the unquestioned situation.

Canadian corporations have lost more of their cash flow than have the multinationals. No one over there gives a damn. We have a potential. When we started to dibble, dabble and drabble in the mix of economy for the oil industry, we knew for sure we had something approaching a billion barrels explored and found as reserves in Hibernia. We now know, Mr. Speaker, we have 1.8 billion barrels of proven, recoverable reserves in that area, and we now know that probably there is at least ten times that much oil in that field. In the name of all that is good and holy, why are we not giving every possible incentive to the necessary expertise, capital, corporate, whatever it may be, to get at that oil? Stop the hemorrhage, cauterize the bleeding economy of this Canada of ours, and get that oil on flow in the fastest possible means to save our nation. Why do we not put those people who are needed to work? Why do we persist in putting on socialist blindfolds as we survey the necessities of this nation? The very survival of this nation is at stake.

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

Mr. Thomas Siddon (Richmond-South Delta): If there is anything my hon. friend, the hon. member for Carleton-Charlotte (Mr. McCain) did not cover in his speech, perhaps I can pick it up for him.

We are talking about the extremely unhealthy state of our economy and how that relates to the basic philosophy on which Bill C-48 is predicated and, in particular, the confiscatory aspect of that bill as reflected in Clause 27. We are debating in particular Motions Nos. 21 and 22 which would amend Clause 27 in two entirely different ways.

In a moment I will give my interpretation of the very negative impact that Clause 27 will have on Canada and on our economy over all. Before doing that, however, I want to quote from a speech that the Prime Minister of Canada (Mr. Trudeau) made last night in Toronto which underscores the gravity and seriousness of the economic problems that face our nation. The Prime Minister said this:

If the September interest rate is indicative of a new trend, it would be a cause of grave concern.

He noted that "high interest rates are symptoms of inflation but that trying to cure these symptoms by higher government deficits will only make the disease worse". He went on to say:

All sectors of the economy must show restraints in their demands, and that includes restraint by government spending.

The Prime Minister went on to state:

I am asking the nation itself to come to its senses.

We are too, I might interject.

—and to act collectively to fight the enemy which is wounding us all—

I think we all know who that enemy is. The Prime Minister essentially called for collective support for collective restraint.

● (2100)

How does Bill C-48, and in particular Clause 27, advance the cause of restraint, improve the health of our economy, bring down interest rates, increase investment and expand opportunities for our young people? The initiatives reflected in Clause 27 take this country further toward economic ruin. The Prime Minister has pinpointed the problem but he has also shown that he is the main part of the problem and that as long as he and the policies of this government prevail, this country will continue to have a rough ride.

As has been pointed out by many of my colleagues, this party is not opposed to the notion that Canadians should control their own destiny. We can start from the basic premise that we do own our own natural resources. Whether they are owned by the federal or provincial government in law is not in dispute; the point is that we own the resources and we have control over what we would do with them. It does not at all enhance the ability of the government to control those resources, to undertake a 25 per cent Crown interest in every bit of drilling, exploration and oil and gas production in the Canada lands that might be contemplated.

Mr. Huntington: Only the winners.

Mr. Siddon: The hon. member for Capilano (Mr. Huntington) says, "Only the winners". If we examine the structure of the bill, we may be able to anticipate that certain friends of people in high places could well end up the winners, to the disadvantage of the average Canadian.

We are discussing the necessity of having the government operate with a 25 percent share in all oil and gas exploration initiatives and subsequent production. There is an interesting aspect to Bill C-48, Mr. Speaker. If one reads Clause 32(1) it will be seen that if the government does not choose to assign a production interest to a Crown corporation, be it Petro-Canada or some other, once the discovery has been made the government can, at its discretion, liquidate that 25 per cent interest and dispose of it in any way it sees fit through some form of public tendering. We might begin to wonder into whose hands the 25 per cent interest will fall. What will we protect with this 25 per cent interest if, after the resources are discovered, they go to the highest bidder? That might well not be a Canadian-owned company, Mr. Speaker.

The government is perpetrating a charade on the people of Canada by suggesting that somehow they will have a bigger share in deciding the destiny of their own resources through having a 25 per cent operating share in the exploration and production of those resources.

We have to ask if it is not enough for the government to be able to collect royalties, including the basic royalty of 10 per cent provided through this act, plus the progressive incremental royalty, which would add another 40 per cent tax on any net return to the interest operator of that venture, plus various other production taxes and, ultimately, profit and income taxes assessed against these corporations. What in God's green earth is the government doing by also taking a 25 per cent interest?

It is repugnant enough to us that the government would expropriate a 25 per cent Crown share in oil and gas discovered at least since the end of December 1980. In fact, in the original bill it was going to expropriate all the private interest that was necessary to get its hands on that 25 per cent.

In Clause 27 of the bill, there is provision that the government may acquire more than a 25 per cent interest. In fact, it can acquire any amount that is required to bring Canadian ownership up to 50 per cent. One has to ask why the government insists upon having the right to take a total 50 per cent equity in its own name, if it wishes. As well, on any amount over the first 25 per cent, the government refuses to put in any of the costs of exploration. If the company that owns that next 25 per cent should happen to be foreign owned, the government will just take that portion. It will not pay any compensation after January 1, 1981, for the equity and risk that was taken, not a nickel, Mr. Speaker, and that amounts to outright theft. I for one am getting darned tired of hearing the Prime Minister talk about the Liberal concept of sharing which, to my way of thinking, amounts to legalized theft.

I should like to discuss what is happening in our country, today, Mr. Speaker. We have investment capital flooding out

of the country. We have created a very ugly situation with our good neighbours to the south when we know that without their support Canada would be nothing more than a wilderness in the north.

An article in today's Ottawa *Citizen* reads in part as follows:

Harvey Bale, assistant U.S. trade representative for investment policy, said the United States has recently placed before GATT a detailed list of objectionable "performance requirements" placed on foreign investors by some countries, including Canada.

The article, which was reporting on a meeting of U.S. trade officials in Washington, went on:

All the participants testified that the Reagan administration finds disturbing the different economic philosophies practised by the Trudeau government and by the United States.

The article concluded by reporting that Mr. Bale said:

—the Canadian government practises "economic nationalism" by actively intervening in the economy with policies detrimental to trade and investment flows in the world economy.

We in this party believe that Canada should move at a measured pace to take more control of our destiny and financial enterprises, but we do not believe in moving immediately in an arbitrary manner to confiscate and steal an asset that belongs to some third party. In that we differ from my good friends in the New Democratic Party. We do not believe in confiscating and stealing an asset that belongs to a third party.

Many people, including the Governor of the Bank of Canada, have pointed out that high interest rates today are a direct consequence of the implications of the National Energy Program. Virtually every other knowledgeable economist in this country has said that the NEP is, in large measure, responsible for the high interest rates which Canadian home owners, farmers, fishermen and businessmen are struggling with today.

After months of public hearings, the National Energy Board said quite clearly that, after months of careful analysis of all the data and information at its disposal, it concluded that Canada will not reach self-sufficiency by 1990 and may not reach self-sufficiency in oil by the year 2000 under the existing regime. This evidence does not come from some weirdo Conservative thinker out in western Canada; it comes from the National Energy Board, a government agency.

Another spokesman who drew a direct link between interest rates and the National Energy Program is the Governor of the Bank of Canada. And presumably we can put some confidence in people like the president of the Royal Bank of Canada who says that extremism on either side of the border is counterproductive. He said that what the Government of Canada is doing under the National Energy Program is abrupt extremism, and that it is creating a tremendous aggravation to the financial institutions, both within and outside Canada, that make our economy work. He pointed out that these irritants are most visible in a flow of investment capital out of the country and a drying up of opportunities and security for the future of our young people.

If we want to reduce foreign ownership in Canada, Mr. Speaker, we should be providing incentives for Canadians instead of asking them to buy Canada Savings Bonds at 19.5 per cent interest in order to help bale the government out and provide it with another few years of security from the eventual and horrendous consequences of an overwhelming national debt. We should stop enticing people with 19.5 per cent interest on Canada Savings Bonds. Hon. members opposite should start paying their own bloody bills in this country—excuse the expletive—instead of burdening the people of Canada with high interest rates. These are nothing more than hidden taxation levied on Canadians because of the government's spendthrift policies over the past 12 years. Hon. members opposite should have to pay the bills. They could start with the most wealthy man in this House, the Prime Minister, who talks about charity and shows none in his own lifestyle.

It is high time we started to consider the damage we are doing to our country and the fact that we are not leaving much of a legacy for our children. Why must the government borrow money now to buy out its 25 per cent interest? After much persuasion from many of the witnesses appearing before the committee, the government was finally convinced that discoveries prior to January 1, 1981, ought to be properly compensated. As I read the bill, the government has now undertaken to provide retroactive compensation for the eligible costs incurred to that date to the extent of 2.5 times a quantity called by some fancy name. Therefore, the government is willing to give the investors whom it is displacing two and a half times the relevant cost. The government has arbitrarily decided what those leases are worth, after the oil and gas has been discovered, of course.

• (2110)

I have to ask why the government does not leave those investors alone? Why is it not enough for the government to operate perhaps 25 per cent of the oil and gas exploration on the Canada lands, without having to take a specific, active interest in every lease, every production licence and every exploration permit that is granted? It makes no sense to me.

The thrust of this amendment which the Progressive Conservative Party is putting forward under motion No. 21 is that, yes, we would be happy to see stress placed on 50 per cent Canadian ownership in any offshore exploration initiatives and in the areas north of 60. We would be happy to see 50 per cent; but we would prefer to see that whole 50 per cent plus coming from Canadian citizens, instead of having them trot down to the bank, sucked in by the ads the government and the banks place in the newspapers to buy Canada Savings Bonds. Why do we not provide a tax incentive program of the form we put forward in our budget of two years ago, a program which would have allowed Canadians a tax shelter on up to $100,000 of investment in Canadian oil and gas and other risk ventures? Why do we not get the Canadian people involved in the sense that they could feel some freedom of choice and some opportunity to advance at whatever pace of investment they prefer?

Why do we not find ways to encourage more than 25 per cent private participation by Canadians? That is the next point I want to raise. If the Crown reserves for itself the first 25 per

cent, it only requires another 25 per cent from Canadians. Then the 50 per cent can come from anyone outside the country. Where is the incentive for Canadians to take more than the 25 per cent participation rate? There is very little, unless, of course, they want to go on bended knee to some of their friends in the cabinet and try to get one of those cushy government grants that they will offer to some of their friends—

An hon. Member: Only their friends.

Mr. Siddon: —who happen to be able to pick up some of this expropriated interest later on that the government will sell off after it has grabbed it and put it under its control.

We have an illustration here. If we follow the provisions set out in clause 27 and thereafter, certain interests in Canada can end up becoming a part of a company which has less than 50 per cent Canadian ownership and continues to operate and explore with the sanction of the government. For example, let us consider a production licence granted on the basis of 25 per cent Crown ownership, 25 per cent private participation by Canadians, and 50 per cent foreign ownership from the U.S. or elsewhere. There could be a corporate change of ownership or change of hands. This happens all the time through transactions on the stock market, or what have you. If there is a change of hands and suddenly we find that that 25 per cent Canadian ownership ends up with some country like Brazil, or who knows—

An hon. Member: Cuba.

Mr. Siddon: —then we only have a 25 per cent Crown share. The government will move in and take one quarter of the equity away from those foreign investors, whoever they are, and will claim it for itself. Subsequently, Clause 23(6) of Bill C-48 allows the government to resell that confiscated 25 per cent to any company which has at lest 75 per cent Canadian ownership, such as perhaps one of the big distilleries, or one of the major, powerful corporations in our country which are perhaps connected with our friends opposite. As long as this company is 75 per cent Canadian owned, with the benefit of U.S. or foreign capital it can end up buying the expropriated asset that was taken away from some other company. Then, with only 75 per cent of the 25 per cent, this company can then end up being a partner in an oil and gas exploration undertaking where the total rate of participation is only 41.25 per cent. In other words, the government says that a Canadian company can have the 25 per cent it has taken away from a foreign investor if it has three quarters of its equity from Canadian sources.

Therefore, some people can end up operating in the Canada lands with only 41.25 per cent Canadian ownership rate, if they know the minister and they can play the game by his rules. However, those who play by the straight rules would, of course, have to have a 50 per cent Canadian ownership rate, of which the government already possesses one half through the 25 per cent Crown share. It just does not make sense. We can see from all of this that this bill is delaying the date when Canada will achieve energy self-sufficiency. It is driving up our energy costs and our interest rates by driving capital out of Canada and, as a consequence, weakening our dollar.

I just cannot understand the comments of the Prime Minister in Toronto last night. If he knows so much about our economy, why has he made such a God-awful mess of it over the past 12 years, and why does he not bring in a budget now? Why does he give us this phony excuse that he gave to the premiers a week or so ago? He wrote a letter to Premier Bennett of British Columbia, stating:

> I assume this postponement does not concern you—

He was speaking in a very cynical voice here.

> —since you knew that a budget delay would be the inevitable result of your refusal to meet next week and of your suggestion that—notwithstanding that the budget had been announced for November 3—we meet on the Constitution during the first week of November.

The Prime Minister knows that is absolute poppycock, yet he has the gall to write that. He thinks the Canadian people are so stupid that they can accept that kind of phony excuse. It is high time he started listening to the people of Canada and their hue and cry that this country cannot take very much more of this cynical, devious man who is forever distorting, oversimplifying and twisting the facts to suit no one's convenience but his own. It is high time that some of his friends in the front benches who agree to these phony, socialistic, economic policies awakened and realized what destruction they are wreaking on our country.

I know that other hon. members have been listening very quietly. I hope they have been listening, because these are serious times for our country. If there are not some changes in direction and philosophy soon, then I fear for my children and their wellbeing.

Mr. Waddell: I wonder if the hon. member who last spoke would permit a question.

The Acting Speaker (Mr. Ethier): Order, please. This requires the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Siddon: I would be happy to answer.

Mr. Waddell: It is sort of a double-barrelled question. I wonder if the hon. member could tell us where it leaves his position in view of the fact that the premiers of Alberta, British Columbia and Saskatchewan have, in fact, accepted the National Energy Program by signing those recent agreements with Ottawa. Second, why is nationalization of public ownership so bad in the light of the fact that Premier Davis just bought 25 per cent of Suncor for Ontario?

Mr. Siddon: Mr. Speaker, I am glad that I have a little time to answer. In the first instance, I do not see that there is any connection between the agreements which were signed by the provinces of Alberta, British Columbia and, I might add, Saskatchewan on the National Energy Program. There is no direct connection. Those premiers have spoken out as forceful-

ly as all others in demanding that the Prime Minister hold a first ministers meeting on the economy. They have made their analysis of our economic dilemma quite clear. They have certainly spoken out to the extent that they would speak out on a matter which is not within their own jurisdiction; that is to say, the Canada lands. Second, in so far as the province of Ontario is concerned, I guess it is their business if they want to engage themselves in competition with the private sector.

I have never said that there is no place for Crown corporations in Canada. Many of the Crown corporations which are of the greatest value to this country were initiated by the Progressive Conservative Party. I am talking about the CNR and the CBC. What we are saying is that the government has no right to be involved in every oil and gas initiative on the Canada lands.

Some hon. Members: Hear, hear!

• (2120)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I see some members of this House are awake. I am glad they are. I hope they are listening as well as giggling. I find it deplorable, when we are discussing a matter as important as this bill, Clause 27 of it and this particular amendment, that not one single member of the press is in the Press Gallery. I hope at least some of them are watching the debate on television.

Mr. Taylor: There is not one minister here either.

Mr. Munro (Esquimalt-Saanich): As the hon. member for Bow River (Mr. Taylor) has just said, there is not one minister here either.

Mr. Breau: What about the minister sitting there?

Mr. Munro (Esquimalt-Saanich): Yes, I apologize. I see the Minister of State (Mr. Joyal) sitting in his seat, but there is not one minister concerned with this bill in the House.

How can one man grab the attention of the Canadian people on a matter as serious as this? There has been a number of excellent speeches made tonight. Many excellent speeches have been made during past days. But the amount of attention that this important matter is grabbing in the press, on television or on the radio is deplorably small. I do not know whether streaking through the House would get any attention, I think it would if certain members did, but tonight, we are discussing what I call the great oil slick trick, the con job of the century, and the government's move-in on the oil fields. The "teapot dome" scandal in the United States has nothing on the scandal of the great northern oil grab. It is surprising that this debate is commanding so little attention from the press. Few letters have been written to editors of newspapers. It is not commanding much attention among members on the far side of the House who like to joke when a serious matter is under consideration.

Have those members who considered this bill when it was in committee discussed it at such monotonous length that they have dulled the edge of their attack? Has the purpose of the legislation been smothered under a heap of verbiage? I hope not. But if that should be the case, I shall delve into the substance of this particular clause and try, through an illustration or two, to explain exactly and in fairly simple terms what this legislation is setting out to do.

As I have said, I have called it the con job of the century, the great oil slick trick, and the great northern oil grab. Those are three ways of describing the intent of this particular clause.

The bill as written provides the means whereby the Canadian government can confiscate 25 per cent of all operations north of 60 and out to the edge of the continental shelf. That does not seem to stir anyone. But just wait until it happens.

We are looking at the back-in provisions as they have come to be called. I want to be sure we know what that term means. This provision enables the government to back in, retroactively, to the tune of 25 per cent of the interest on land on which leases were originally granted, on the understanding that the interest would be whole, transferable and saleable. The government is cheating the developers. This is a low down, sneaky trick, and that is all it is.

How did this come about? In order to get exploration under way in the north in the areas described as Canada lands, a number of tax inducements were offered to entrepreneurs in the oil exploration business. Leases were auctioned off or sold. The fortunate person who got the lease undertook to develop the land and to plow into that land so much in development funds. It might have been millions of dollars, but the understanding was that the 100 per cent of the interest in any discoveries would be disposable in the normal way, subject always to a royalty and taxation. No one quibbles with a royalty. No one quibbles with the taxation arrangements which might be imposed. But no one reckoned on confiscation.

Money for exploration is frequently raised through dividing up the 100 per cent interest of a particular group by selling shares to others in a similar enterprise and sharing the proceeds of discovery. As I said, any production that might occur down the line would be subject to a royalty, and the proceeds of its sale would be subject to tax.

I must emphasize that a favourable tax regime was put in place deliberately to induce entrepreneurs to come to the rude climate north of 60 in order to get oil and gas out of the ground. Inducements, such as being able to write off expenses at more than 100 per cent were offered, to get oil men looking for oil and gas in those areas. Many responded. The inducements were high, and the risks were high. The promise was good. Some of the entrepreneurs were successful and some were not so successful. But it was understood they would be able to retain 100 per cent of the proceeds of their endeavour.

Having encouraged that form of activity and having welcomed Canadian and offshore investment in the acquisition of leases, the government has now decided at this late date to back in on all these activities in Canada lands and claim 25

per cent of the interest in each of them. There is no other word for it but trickery.

Let us assume that a Canadian company had offered to spend a million dollars for a lease giving it the right to explore a certain parcel of land in the north country, and that it was given that parcel of land on the understanding that the million dollars would be devoted to exploration. Whoever obtained the lease decided that in order to raise the amount, he would have to share out the interest he had acquired. Let us say he did this with ten partners who each put in $100,000, making up the $1 million. They drill, they write off a large portion of their expenses, and they find a viable deposit of oil. At this point they can go into production and sell their oil. There is a royalty as the oil comes out of the ground. That is fair enough. There is a tax imposed on the sale of the oil or gas. That is fair enough. But now another element enters into the picture, namely, this bill. The government says, "Whoa, let me in for 25 per cent of the interest which the ten partners have so graciously provided." This is expropriation, and there is no other word for it. I submit further that it is a breach of contract.

I wonder how a government that prides itself on the legality of operations, particularly as they affect constitutional matters, can reconcile in its mind, its twisted curved mind, this sort of illegality. It is expropriation and breach of contract. I suggest also that it is probably easy to understand this government carrying out such a land baron robbery, when one recalls that it is the same government that refused to include the right to enjoyment of private property in its famous bill of rights. This government refused that. Maybe the government had all of this in mind and that is why it refused. At least the government is consistent on that score. Let us recognize the government's consistency in one area at least. On one hand they did not want to acknowledge in the charter of rights, the right to private property and on the other they were planning to deny it in this legislation.

• (2130)

What has my party done to try to remodel this amendment and to make it a little more acceptable? The amendment as proposed by the hon. member for Etobicoke Centre (Mr. Wilson) is aimed, first of all, at safeguarding Canadian development enterprise in the north from this conscienceless brigandry through legislation. As the legislation now stands, this back-in and the claim of 25 per cent applies to Canadian enterprise or any other kind of enterprise, all in the name of Canadianization. They are breaking contract with their own people. It is one thing perhaps to try to do that with non-Canadian investment, but to do it to Canadians, I think, is absolutely deplorable.

The manner in which we have managed to safeguard that is in the motion which reads:

> Her Majesty in right of Canada is hereby vested with and the Minister on Her behalf shall hold a share sufficient to render the interest holder with a Canadian Ownership Rate of 50 per cent.

That says that if the enterprise is 100 per cent Canadian owned now, there is no need whatsoever for the Canadian government to back in. Yet these people sit mutely by and are prepared to see their Canadian colleagues conned out of 25 per cent of their enterprise. I suggest the government is guilty of hypocrisy in this aspect of its operation.

Let us look at amendment No.2 standing in the name of the Minister of Energy, Mines and Resources (Mr. Lalonde). That really is quite an interesting piece of reading because we see there in advance a declaration of principles. Let me just cite it because it is relevant to the amendment I am talking about, although we have not as yet dealt with this particular one. The declaration of principles states that it is recognized that it is "in the national interest to advance national economic and social interests through control by Canadians of their own energy future," and that "Canadians must be offered an opportunity to participate in the development of their energy future and to share in the benefits of that development."

Those are laudable principles, but how you can reconcile that statement of principles by backing in on a 100 per cent Canadian enterprise, claiming you are doing it in the interest of Canadianization, I just do not understand. And I bet you my bottom dollar there is not one person over there who can explain it either, not one. They have no concept of the outrageousness that is before us.

Combining these two highflown phrases, with the powers in this bill to confiscate retroactively 25 per cent of a 100 per cent Canadian enterprise is, to my way of thinking, the epitome of 1984 double talk, not to mention unmitigated hypocrisy and doubledealing. It might be understandable to some, in light of that pious enunciation of principles, to see the government confiscate 25 per cent of non-Canadian enterprise—that might be understandable—but those who can stomach such confiscation and such piracy from their own kind must, at this time, be prepared to see business contracts violated and the government's word broken, because these enterprises were enticed into developing productive resources by generous tax credits and the forgiveness of some of their expenses. They were never told that, in addition, they were going to be liable to seizure by the state once they had found proven reserves.

To pass this legislation in its present form would be to legalize piracy, and my party cannot stand for such a blatant repudiation of an original trust.

I hope my colleagues on the other side of the House are aware of what the government is asking them to do, because, in the briefest terms, this amounts to legitimizing larceny. For those who do not understand what larceny is I would like to quote from the Concise Oxford Dictionary. It is:

> —felonious taking away of another's personal goods with intent to convert them to one's own use.

If I have a few moments left, I think it is now worth examining the consequences of this form of larceny. The hon. member for Red Deer (Mr. Towers) listed some of them this evening when he was speaking, including the flight of enterprise from this country to the United States, the transfer of development funds by Canadian firms from Canada to the United States, with all that means in terms of decreased

activity in this country; the making of vehicles, the making of steel, and the shortfall in taxes payable.

There is another consequence whose full dramatic significance has been described in a recent article in *Barron's* weekly. It is Barron's of October 26, so it is fairly recent. It is an article which appears on page 39, and it is a quote from a study prepared by Michael Walker of the Fraser Institute in Vancouver. He says:

> In the next 12 months, some 80,000 wells will be drilled in the United States, five times the total in the rest of the world combined.

An hon. Member: The Fraser Institute is a most reactionary group.

Mr. Munro (Esquimalt-Saanich): Facts are very difficult to be reactionary about, and these are facts. He states that some 80,000 wells will be drilled in the United States, some five times the total in the rest of the world combined. He goes on to state:

> About 10,000 of them will be financed by refugee Canadians—twice the number that will be drilled—

He says they will be financed by refugee Canadians and with Canadian funds.

I think with that history of the degradation of enterprise in this country by the inept, abusive and larcenous policies of this government introduced a year ago this week, members opposite should be ashamed. I saw them wearing blood on their lapels earlier this week, and rightly so. The rest of us should be wearing arm bands. It is red blood they are bleeding from Canadians and sending across the border. I hear there is some talk about the Minister of Finance (Mr. MacEachen) making the banks bleed a little more. I suggest he was thinking about the Red Cross blood bank campaign of that week when he came out with that statement.

• (2140)

We should be wearing black arm bands this week and until we have demolished this bill. The bill before us will be the destruction of free enterprise in this country, as was said so ably by my hon. friend, the hon. member for Capilano (Mr. Huntington).

Mr. Waddell: Mr. Speaker, I wonder if the hon. member would permit a question.

The Acting Speaker (Mr. Ethier): Is that agreed to by the hon. member?

Mr. Munro (Esquimalt-Saanich): Agreed.

Mr. Nielsen: We have to spend our time educating you.

Mr. Waddell: The hon. member for Yukon (Mr. Nielsen) says they have to spend their time educating me. Why is the hon. member and his colleagues who have spoken before him digging in on this particular section of the bill which essentially protects oil companies? Why are they being the spokesmen of the oil companies and not concentrating on environmental matters, native matters, matters that concern the little people? Why are they more concerned with this 25 per cent back-in? They are really concerned about the large oil companies.

Mr. Nielsen: Wait until you hear my speech.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I distinctly recall making a contribution to the debate on environmental matters. I am not defending the oil companies in this debate. I am defending Canadians and Canadian enterprise. Members around this House should be prepared, as I am, to invest every single penny of their savings into the development of this country through free enterprise even with disastrous results sometimes, especially over the last three or four months, and not through a paternal government which claims to know better about how to invest our money than we do.

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the last few days we have been talking a lot about Canadianism. From listening to the government members talking about Canadianism, one can only deduce that they seem to think they have some kind of monopoly on Canadianism. I want to make it very clear that no party has a monopoly on patriotism or Canadianism. When the Liberal Party tries to give the impression that it is the only one which represents Canadians or favours Canadian ownership, it misleads the people entirely.

Our party has worked toward Canadianism for many years, even before the Liberals thought about it.

An hon. Member: We started the country.

Mr. Taylor: Yes. If hon. members opposite think they are the only Canadians, they should take a look at our history.

With regard to the last question which was directed to my colleague, I repeat that we are not speaking for the oil companies. I have never been an advocate of the oil companies, but I want to tell him that if it were not for the oil companies, we would be importing 90 per cent of our oil from OPEC. Put that in your pipe and smoke it. All you have to do is to look at our history. We had practically no oil in this country in 1935. So what happened?

An hon. Member: The Socreds found it.

Mr. Taylor: Back in 1937 and 1939, the Alberta government came to Ottawa, a Liberal government at that time, and tried to receive assistance to look for oil. But Alberta got nothing. The government would not invest a dime in Alberta. In fact, it took 30 years for it to give us our resources.

Why would they want us to develop them? It wanted us to stay poor and be one of the have-not provinces, which we were at that time. We were paying to the bond holders 52 cents of every dollar collected in Alberta.

We wanted to develop our resources in Alberta and make a contribution to this country. Canada would not help us. The Bank of Canada would not help us even though the late Mackenzie King promised he would during the election campaign. Finally, our minister of mines went to England and France, but he could not get financing there either. He then

had to go to the United States to get the capital to develop our oil resources in Alberta.

For the information of the members of the NDP, the multinationals came in, but on our terms.

An hon. Member: They took everything.

Mr. Taylor: They did not take everything. You are just showing your ignorance. We had a definite plan to encourage investment. If they made a discovery, then the government—

An hon. Member: They took it.

Mr. Taylor: Only part of that would belong to the companies.

An hon. Member: Only part of it?

Mr. Taylor: The Liberal members are so ignorant they will not listen to the facts. Absolute ignoramuses. The record will tell the story. These multinationals came in and searched for a number of years, spending several million dollars without finding oil. When they finally made a find, did Alberta say it would take it over and confiscate it? No. Alberta said that part of the find would belong to the company and it would be divided up so the company would get every other segment and the rest would be sold to the highest bidder. The company would pay the royalties and lease rents because the resource belongs to the people of Alberta.

If we had waited for the federal government to develop it, it never would have been developed. The Liberals who are laughing on the other side, would be willing to pay 100 per cent today for all the oil that comes into Canada. They do not appreciate the fact that one province did develop its oil resource, not through state ownership but through free enterprise.

Some hon. Members: Hear, hear!

Mr. Taylor: An hon. member got up and talked about Ontario buying into Suncor. Let me tell him that under the free enterprise system the state does not have to stay out of industry, it can be in partnership with free enterprise. If this government were going into partnership with free enterprise to help provide jobs and develop the country, it would get some support. For some reason, it thinks it has to confiscate. How can it encourage Canadians to invest their life savings when they are afraid the government is going to confiscate them? I never thought I would see this day in Canada. This bill is the biggest land grab in the country.

Mr. Nielsen: Carpetbaggers.

Mr. Taylor: Money grabbers, too. If this government had been in power in the early part of this century, when Alberta was created as a province along with Saskatchewan, it would have said, "Sure, we will make you into provinces but we will not give you any resources. We will not give you the wherewithal to look after your people." Even the first Liberal government of Alberta fought the Liberals in Ottawa for that, but it did not get very far. Oh, no, the Liberals in Ottawa talked the Liberal government of Alberta out of it. The people of Alberta got fed up and elected the United Farmers of Alberta, a people's party. The United Farmers of Alberta fought tooth and nail, not for something special but only for equality with the other provinces. We wanted our resources just as the other provinces did. When the British North America Act was passed, New Brunswick, Nova Scotia, Ontario and Quebec entered confederation on the premise that they retained ownership of their natural resources. They insisted on that going into the BNA Act, but the Liberal government at Ottawa would not give that to Alberta and Saskatchewan until it was forced to do so. It was 1930-1931 before we got our resources.

• (2150)

The present federal government was elected, at least partly, as a free enterprise government, but now the provinces have a threat hanging over their heads: "You do what we say or we will take the resources back". We used to have a word for that when we were kids. We would have called them Indian givers, and that is no reflection on our Indian people. The federal government now wants to take back resources which were properly given to us, even though we were 25 years late in getting them.

We went to the United States and invited oil companies to come in, spend their money and find oil. They did that. They spent several million dollars.

Some hon. Members: Oh, oh!

An hon. Member: Order, you idiots.

Mr. Taylor: They are ignoramuses. They do not bother me a bit. They are so ignorant they do not even want to know the facts. If it had not been for the finds of the 1940s and 1950s we would not have the oil we have today, and hon. members opposite know it. They would be spending millions—oh, but happily; they do not mind spending $50 a barrel for Mexican oil or Iranian oil, but it hurts them terribly to buy oil from other Canadians at $25 a barrel.

Mr. Cousineau: I have heard that before.

Mr. Taylor: It hurts hon. members, it shows on their faces. They talk about building a united country when they are continuously dividing and conquering. They are dividing the country. The Minister of Energy, Mines and Resources (Mr. Lalonde) made some remarks in Quebec the other day. The hon. member for Crowfoot (Mr. Malone) has outlined those remarks for us. It is shameful that a minister of the Crown should set one part of the country against another. This government has stayed in power for so many years by favouring one part of Canada over another. Several years ago, during a campaign Mr. Trudeau promised the people of Edmonton—

[*Translation*]

Mr. Cousineau: On a point of order, Mr. Speaker. The member who has the floor should observe the custom of the House and refrain from referring to a member by his name.

The Acting Speaker (Mr. Ethier): I think the member for Gatineau (Mr. Cousineau) is right. Hon. members should always refer to their colleagues by the name of the constituency they represent, as the member for such and such a riding, but not by name.

The hon. member for Bow River (Mr. Taylor).

[*English*]

Mr. Taylor: Mr. Speaker, I was speaking in English. It would have been a courtesy if the preceding conversation had been in English too.

Some hon. Members: Order.

Mr. Rossi: Joe Clark doesn't like that.

Mr. Huntington: Can't you control the House?

Mr. Deans: Let's pretend it's ten o'clock.

The Acting Speaker (Mr. Ethier): The Chair did not mean to refer to languages spoken. It is simply a rule of the House that when we refer to hon. members, we refer to their constituencies and not their names.

Mr. Taylor: I appreciate that, Mr. Speaker, and I bow to your ruling. That is a rule of the House, and I will endeavour to obey it. I might say that I have no objection to the French language or any other language. I think they are all fine, but when an address is going on and the speaker does not have his earphones on, I think it would be courteous to raise points of order in English so that we know what is going on. I would say the same thing if a member were speaking in French.

Mr. Cousineau: Mr. Speaker, if you will permit me to repeat what I said, I can show the hon. member that I can speak the two languages.

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

Mr. Taylor: I am very proud that the hon. member can. I wish I could handle French as well as he handles English. Some day I might be able to do so.

I want to return to the point with which I was dealing. We have a wealth of oil and gas in this country because we enticed people to come in and invest. They came in and invested because they could make a dollar. They could make a profit. At the same time, they worked under the rules set out by the government of Alberta. They knew the rules were that if they found oil, as they found it at Leduc and several other places in Alberta, they would have a fair share because they spent a lot of money finding it. However, they knew they would not have it all, that the balance would be sold and that that would be the money which would come to the coffers of Alberta. That is what raised our status from that of a have-not province to that of a have province. It was done by free enterprise, not by taking over, not by nationalization and not by confiscation. I want to emphasize that. Under this bill, the Government of Canada should offer an incentive to companies to go and explore and then tell them they will get a fair share of that. But no, this government plays favourites. It gives 25 per cent of anything found to Petro-Canada, the national oil company. I do not mind Canada having a national oil company, but it should not have favourite treatment. It should work hand in hand with other oil companies and under the same rules. If it does not, we are playing favourites. The government says it is all right to play favourites because the money goes into the pockets of the people. Well, the money does not go into the pockets of the people. The money goes into the coffers of the government, and that is not the pockets of the people.

I believe in Canadianization absolutely, but I believe in the people of Canada owning our industries. The higher the percentage of Canadian people owning our industries, the better I will like it, and we should provide incentives. The greatest incentive any country in the world has found is free enterprise. We should provide the chance to make a dollar. That is not to say anyone should hog, but they should be able to make a dollar, and that is the greatest incentive.

Hon. members here who have great wealth obtained it through free enterprise, not through nationalization and not through government confiscation. This government would be wise to change its policies right away and provide incentive. We need big oil companies. We also need small oil companies, and we should treat them all fairly. We should let them make a dollar, but they should also play fairly with the people of this country so that the people will get their fair share.

I would like to see our industries owned by Canadians. The more the better, but I would like to see some of the profits from our discoveries and from our work going into the pockets of the people so that they can better educate their boys and girls, so that they can have a better standard of living and so that they can buy homes and pay the high interest rates they have to pay now. However, they cannot do that on the ordinary wages of workers today. This government has an opportunity to provide an incentive to millions of Canadians, if it would follow the policy the Clark government was going to follow.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ALASKA GAS PIPELINE—QUERY RESPECTING COMPLETION OF PROJECT. (B) EXPORTS OF GAS TO UNITED STATES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the question we have to debate during the next ten minutes is the matter of the Alaska gas pipeline and the responses given by the Minister of Energy, Mines and Resources (Mr. Lalonde) on October 22 to a question put to him by myself. The minister is not here this evening, but his partner in crime is, so we can proceed.

I will preface my remarks with a quotation from *Hansard* of December 6, 1979, page 2101. At that time the gentleman who is now Minister of Energy, Mines and Resouces is quoted as saying the following with respect to the Alaska gas pipeline. He is referring to a statement by the then minister of energy, mines and resources, the hon. member for Saskatoon West (Mr. Hnatyshyn). I quote:

> There is no word in this statement regarding swaps, and nothing about the eastern Canadian situation, the building of the Quebec and Maritime pipeline, and the possibility of exports to the northeastern states. In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

We have to contrast this with what he has done since being in government. The question of the Q&M tie-in was forgotten straight away. With regard to the question of gas swaps, what happens after we have exported our gas to the United States? Can we get some back from the Prudhoe Bay project? That was forgotten straight away.

Let us look at the ironclad guarantees. In my opinion, they are not guarantees. All the minister has is a best-efforts promise on the part of the United States administration and Congress. A guarantee is a guarantee because it is enforceable. There is nothing in the promises the minister has received that is enforceable in any tribunal.

The complaint I have is that on October 22 when the minister was asked a very simple and straightforward question about the difficulties that had been experienced in getting the waiver package through Congress, his reply was along the following lines. He told us on this side not to worry about it, that they have everything under control and that everything in the garden is rosy. That was his approach. He said "trust us". Can you imagine trusting the bunch on that side? That was the sum total of the minister's response.

Everything in the garden is not rosy. There are a lot of problems with the Alaska gas pipeline. A lot of delays have already been experienced. At one time the final completion date was to be in 1983. Now it is going to be 1986, or the beginning of 1987 at the very earliest, and there is the possibility of yet more delays.

The costs have escalated fantastically. We are now talking about $45 billion to construct the pipeline. With the high interest rates that have come about in the meantime and the higher prices for all commodities, these prices have doubled in the last few years.

Adjournment Debate

With regard to the waiver package before the United Stages Congress, I would like to read something from the Ottawa *Citizen*, a journal that is usually fairly sympathetic toward the Liberal causes. I quote from an article in the October 22 edition headlined "Alaska Gas Pipeline in Trouble" as follows:

> —the White House isn't eager to battle senior Republican politicians who oppose the waivers.

There is a lot of opposition there to the waivers.

> These include Rep. Clarence (Bud) Brown of Ohio and Rep. James T. Broyhill of North Carolina, both of whom have told the U.S. President they are "unalterably and unequivocally" opposed to any waivers that would transfer to gas users the risk that the pipeline wouldn't be finished.

That is the so-called tracking provision. How serious is the United States administration about this? It goes on to read:

> William A. Niskanen, who belongs to Reagan's Council of Economic Advisers, has acknowledged the administration's lack of enthusiasm for the waiver package.

There are a great many difficulties in getting this provision through the U.S. legislature. There are many things to be concerned about. We want from the minister honest and forthright answers as to what his plans are and how he is going to deal with these matters. Is he going to go to Washington and speak to his American counterparts? Let him admit the difficulties, tell us if he has any plans and then go to Washington. Most of all, we would like him to be honest with Parliament.

● (2205)

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Alaska highway natural gas pipeline has played a part in Canada-United States relations since the Transit Pipeline Treaty of the early 1970s. The treaty was followed by the Canada-U.S. agreement on the Alaska pipeline in 1977 wherein both countries formally undertook to support the project on a priority basis. In the spring of 1980, Canada approved the pre-build segments, based on assurances provided by President Carter that the line would be financed, and that his 1977 decision approving the project would be amended to permit pre-commencement billing for the Canadian segments. Further assurances were provided by the joint resolution approved unanimously by the Senate and House of Representatives and by the commitment of the industry sponsors to participate in the financing of the project.

With the election of President Reagan, there was some questioning regarding the scheduling of the pipeline. However, during his Canadian visit last March, President Reagan clearly stated his strong support for the project.

On October 7, 1981, Senator Olson announced that President Reagan had informed the Prime Minister (Mr. Trudeau) that he was forwarding to Congress the waiver package requested by the sponsors of the pipeline project. This waiver package is a series of amendments to the U.S. enabling legislation for the pipeline.

I would like to quote from a letter from the U.S. President that was sent to the Prime Minister just prior to the submis-

sion of this waiver package to Congress. In that letter the President wrote:

> In view of the importance which you attach to this question, I wanted to advise you in advance of our public announcement that I have decided to submit for Congressional approval the full package of waivers requested by the sponsors of the Alaska natural gas transmission system. My recommendation to the House and Senate will be submitted later today. It is the view of the project sponsors that this package of waivers will facilitate the completion of the Alaska natural gas transmission system under private financing. As I made clear during our previous discussions of this matter, my administration supports the completion of this project through private financing, and it is our hope that this action will clear the way to moving ahead with it. I believe that this project is important not only in terms of its contribution to the energy security of North America, but it is also a symbol of U.S.-Canadian ability to work together co-operatively in the energy area for the benefit of both countries.

The President has also reiterated these points in his message to Congress putting forward the waiver package.

The waiver package is now being studied by the Senate energy and natural resources committee where it is supported by the Republican and Democratic leaders. It is also before the House energy and commerce committee. Both committees are expected to deal with the bill expeditiously, after which Congress has up to 30 days to make a finding.

The importance of the project is indicated by the fact that Prudhoe Bay contains about 10 per cent of U.S. reserves of natural gas. The pipeline offers the most economic means of access to this large resource.

HOUSING—REGISTERED HOUSE OWNERSHIP PROGRAM (B) REQUEST THAT MAXIMUM PERMISSIBLE LEVEL OF SAVINGS BE RAISED

Mr. Gordon Taylor (Bow River): Last Friday I asked the hon. Minister of Public Works (Mr. Cosgrove), the minister responsible for housing, two questions on the Registered Home Ownership Savings Plan. I was not happy or satisfied with the answers I received.

● (2210)

The Registered Home Ownership Savings Plan, known better as RHOSP, is an excellent program. In the first place, there is a limitation on who can use it. Those who do not own a home or who have never owned a home may place money in this plan. It is a savings plan for the first home. If the money is left in the plan for ten years and used as a down payment on a house, or used for the purpose of buying furniture for the first time for a house, there is no tax to be paid. That is the incentive that is provided. If it is taken out within a ten-year period and used for other things, then it is taxable just as it would have been, although perhaps at a higher rate than when it was placed in the RHOSP.

My first question to the Minister of Public Works on Friday, October 23 was: "Has he made any representations to the Minister of Finance to increase the maximum ceiling in this plan?"

The minister did not answer this question and so I have to assume that he made no such representations or recommendations to the said minister.

Rather than answering the question, the minister appeared to argue that the present plan, which provides a maximum of $10,000, is sufficient for a down payment on a home. He mentioned the price of homes now for sale in London, Ontario, as being $30,000 or $40,000.

My question was on behalf of young people in particular who live in all parts of Canada, including cities like Vancouver, Toronto, Calgary, Ottawa, Halifax, etc. Certainly in these cities $10,000 would not be enough for a down payment on a modern home.

My supplementary question to the Minister of Public Works was: "Will he urge the Minister of Finance at least to double the present maximums?" That is, an over-all maximum in ten years of $10,000 to $20,000 and an over-all maximum per year from $1,000 to $2,000.

Again, the minister avoided the question, stating that he could not go into specifics. He then went off on an angle about difficulties in answering questions and mentioned that we have to attempt "to provide equity, not only in the housing sector, but also equity as between people facing problems with housing and those who are facing difficulties with employment." While these difficulties may be real, they have nothing to do with this particular plan or this particular problem. Such an answer to this question is not only ridiculous; it does not even start to answer the question that was asked.

The RHOSP was created for the purpose of providing an opportunity for young people to build up a fund for their first home; it provides for a maximum limit of $10,000, with a maximum contribution per year of $1,000. It is not a big thing, so doubling it would not be a big thing either, but it would at least give the down payment for a home in ten years.

The maximum of $10,000 may have been satisfactory when the program was initiated, but it is certainly not satisfactory now. I doubt if it is even satisfactory in London. This is another example of how the government is living in the past and refusing to face reality.

Even by doubling the maximum to $2,000 a year, with a $20,000 limit, this would still be low enough—but it would provide a down payment. All young people would not be able to put in $2,000, but if they could, it is a good savings plan and it would help fight inflation. Apparently the minister responsible for housing has not even discussed this problem with the Minister of Finance (Mr. MacEachen). This will deny a lot of young people the opportunity to eventually own a home.

The RHOSP is also an effective weapon with which to fight inflation as once a contribution is put into the fund, it is locked there for the purpose of buying a home at the end of the ten-year period. If it is taken out at any time prior to the purchase of a new home, it becomes taxable. As I said before, it is limited to those who have never owned a home.

If the object of the government is to help young people to own homes of their own, then it should at least double these

maximums. If it is the object of the government to effectively fight inflation, then this is a good weapon. On the other hand, if the government does not want our people to own their own homes—and the government refused to put property rights in the charter—then I can understand why the Minister of Public Works responsible for housing avoided answering my questions. A lot of young people want to invest in this savings plan but they want it to be effective so that at the end of ten years they will at least have enough for a down payment on a home.

I urge the Minister of Public Works to make strong representation to the Minister of Finance to embody this in the budget to come down on November 12.

• (2215)

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I will be brief. The hon. gentleman makes two points. The first is that the minister has refused to tell him whether he has made representations to the Minister of Finance (Mr. MacEachen) on this particular issue. It surprises me, because the hon. gentleman opposite has been in politics long enough to know that at budget time the ministers are precluded from giving any sort of hints about the budget.

Mr. Nickerson: Just like Trudeau last night in Toronto.

Mr. Kelly: I think, in obedience to the conventions of this House and our system, the minister is acting very wisely, indeed.

The second contentious point is that the level of savings is too low and that it should, in effect, be doubled. I would like to point out to the hon. gentleman opposite that at current interest rates, savings rates in the banks, a young couple who put in $1,000 a year will, after ten years, have in excess of $25,000 saved for their home purchase. That is more than the amount the hon. member is projecting in his second question.

Therefore, I think that the present economic system already addresses his concerns, which are legitimate. Second, I think that he will have to wait for the presentation of the budget to see exactly what advice the minister gave to the Minister of Finance.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.19 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 30, 1981

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

HOUSING

SUGGESTED FINANCIAL ASSISTANCE FOR HOME OWNERS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The minister responsible for housing offered to intervene personally to assist Canadians faced with losing their homes due to excessively high interest rates. I have received, and I am still receiving, calls and letters asking for help from constituents in just such a predicament. Details of each case are being forwarded to the minister for prompt action by him. In light of the fact that these pleas for assistance are urgent and real in nature and they undoubtedly represent only a small percentage of home owners in serious trouble, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the minister, hearing through Members of Parliament from Canadians in dire straits, now acknowledge the gravity and magnitude of the situation and pressure his government to stop passing the buck to the banks, accept its responsibility, and prepare an immediate plan of financial assistance for home owners.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—GOVERNMENT RESPONSIBILITY TO HOME OWNERS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. There continues to be widespread anxiety regarding the government's acceptance of responsibility to thousands of Canadians who were lured by government incentives into insulating their homes with urea formaldehyde foam. The Minister of State, when parliamentary secretary to the President of the Treasury Board, stated as follows:

—the government anticipates that its provisions will be made known in late November—

Last week nearly 300 residents of the Kitchener-Waterloo area met to discuss the effects of UFFI on their families' health, on the costs of removing foam from their homes, and on the inability to sell their contaminated dwellings. On their behalf I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House urge the government to announce the date in November when it will make good on its moral responsibility for the victims of urea formaldehyde foam insulation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE DISABLED AND THE HANDICAPPED

MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. On Tuesday last the Minister of National Health and Welfare (Miss Bégin) promised she would table in this House a list of recommendations from the report entitled "Obstacles" which the government had publicly claimed to have implemented, and since the minister has not yet carried out her promise, I move, seconded by the hon. member for Spadina (Mr. Heap):

That this House instruct the Minister of National Health and Welfare to table in this House, forthwith, the list of 56 recommendations from the report of the Special Committee on the Disabled and the Handicapped which the government claims have been put into effect but which no one knows very much about.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

VIA RAIL

CALL FOR ESTABLISHMENT OF SPECIAL PARLIAMENTARY COMMITTEE—MOTION UNDER S.O. 43

Hon. Don Mazankowski (Vegreville): Madam Speaker, I wish to move a motion under the provisions of Standing Order 43. I rise on behalf of the hundreds of thousands of Canadians who have expressed their absolute opposition and dismay to the elimination of one fifth of Canada's rail passenger service, and to the callous way the government moved unilaterally to dismantle VIA Rail's transportation service. In view of the government's refusal to grant the people of Canada the right to be heard on this most important matter, and given the lack of clear and definitive policy on rail passenger service, I move, seconded by the right hon. member for Yellowhead (Mr. Clark):

That this House instruct the minister to rescind the order in council, and that a special select parliamentary committee be struck to hold full public hearings and to establish thoroughly a clear rail passenger policy and a clear VIA mandate so it can function on a sound financial and legal basis.

In support of this motion, I hereby submit for immediate consideration to the Prime Minister and to the Minister of Transport, the findings of a special Progressive Conservative task force on rail passenger service, entitled "The Last Straw", which hopefully all members will agree to have appended to *Hansard* of this date.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE DISABLED AND THE HANDICAPPED

PROVISION OF FACILITIES ON AIR CANADA FLIGHTS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas, even though this is the year of the disabled, the Trudeau government—

Some hon. Members: Order.

Mr. Taylor: —is building its transportation policies on the backs of the disabled, particularly wheelchair Canadians—for example, it plans to remove one fifth of the rail lines in Canada, a mode of travel used widely by the disabled—and by not even providing a "Washington Chair" as required equipment on Air Canada flights, which would enable the severely disabled at least to get to the washroom, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House urges the government to continue the rail services and to provide a "Washington Chair" on all Air Canada trips lasting two hours or more.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

THE ECONOMY

GUIDING PRINCIPLES TO REDUCE INFLATION—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise seeking the attention of all hon. members of this House on a matter of urgent and pressing necessity, under the terms of Standing Order 43. On Wednesday, October 28, in Toronto, the Right Hon. Prime Minister (Mr. Trudeau) outlined three guiding principles for this country to follow in order to combat our number one economic enemy, inflation. I move, seconded by the hon. member for Dollard (Mr. Desmarais):

That collective restraint, equity for all, and growth be the guiding principles of this Parliament and of all three parties in this House to reduce inflation in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

PROPOSED ESTABLISHMENT OF LINGUISTIC INSTITUTE IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, while half of all Canadian native languages are in British Columbia, three of these are presently extinct and the remaining 27 are also in danger of extinction unless something is done to protect them.

My colleague in the B.C. legislature representing Victoria, Mr. Gordon Hanson, who is in the House today, has been fighting for the establishment of a native language institute for British Columbia and has received widespread support from Indian bands, churches, unions, and university departments.

I move, seconded by the hon. member for Skeena (Mr. Fulton):

That members of this House recognize the vital importance of language to culture and social wellbeing, and that we endorse the proposal for a native language institute for the province of British Columbia, with a commitment to work with the British Columbia government toward its early establishment.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

APPOINTMENT OF EXECUTIVE ASSISTANTS—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the executive interchange program adopted by the energy minister, whose executive assistant is also on the payroll of the government-owned oil company, Petro-Canada, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this novel program be extended to the private sector so that executive assistants could be supplied to the Minister of Industry, Trade and Commerce by Chrysler Canada Ltd.; to the Minister of Communications by Rogers Cablesystems Ltd.; to the Minister of Fisheries and Oceans by B.C. Packers Ltd.; to the Minister of Finance by the Royal Bank of Canada; and to the newly appointed Minister of State in the other place by those companies participating in the uranium cartel, so that these ministers can also avail themselves of unbiased and informed advice in the national interest.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

SUGGESTED RECONSIDERATION OF CUTBACKS—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, whereas the Minister of Transport (Mr. Pepin) was, in a previous incarnation, the co-chairman of the Unity Task Force; and whereas the railroads of Canada, which he now wishes to begin to dismantle without consultation, played such a vital role in unifying our nation, and in particular British Columbia, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Minister of Transport and the cabinet reconsider their action on VIA Rail cutbacks and take the advice of those learned members of the other place.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ARTS

IMPACT OF FEDERAL TAXES—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That the Minister of Finance be instructed by this House to include in his upcoming budget at least the majority of the recommendations contained in the 1977 Disney Report entitled "Federal Tax Issues of Concern to the Arts Community in Canada" so that that community will at long last be able to begin to believe that their government cares about the survival of the arts in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INDUSTRY

REQUEST THAT JOBS BE GUARANTEED AT GULF CANADA, SHAWINIGAN, P.Q.—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise under the provisions of Standing Order 43 and request the unanimous consent of the House to introduce a motion.

In 1977, when the hon. member for Shawinigan was Minister of Trade and Commerce, his department gave a $1.5 million grant to the multinational corporation Gulf Canada for the purpose of refitting its Shawinigan plant in the hon. member's riding. Considering the fact that the agreement is to terminate this year and that Gulf Canada is threatening to sell its plant without any guarantees for its 350 workers, I move, seconded by the hon. member for Regina West (Mr. Benjamin):

That immediate action be taken by the federal government to protect these jobs and that in future, the federal government obtain better guarantees for these special grants.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

HOUSING

FIGURES RELATING TO STARTS

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to direct my question to the minister responsible for housing. Yesterday Statistics Canada reported a 28.3 per cent decline in building permits issued for the month of August which, of course, will reflect a sharp decline in housing starts. At that trend, we are heading toward approximately 135,000 starts for the year, which represents a shortfall of 85,000. I might add that this confirms the predictions of the secret document which the minister has tried to disown. What advice does the minister have for Canadians who are now facing this critical housing shortage, which he finally recognizes as a housing crisis?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, this is my first opportunity to respond to a question from the hon. member for St. John's East since the House reconvened. I would like to take the opportunity to congratulate him on his new post as housing critic.

At the outset, I would like to say to him that I have been aware of changes and trends in the industry. I would indicate to him that on my last visit to his city, for example, I had the privilege of participating with the minister of housing for Newfoundland in the start of some social housing. That is one of the things the government has been able to do, to assist not only the supply of housing but also in the question of affordability. In both those cases I think we have demonstrated that we are of assistance.

FORECAST SHORTAGE OF ACCOMMODATION

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish I could be gracious and return the compliment and congratulate the minister on his performance. Obviously I cannot do that because we are in a serious situation, largely as a result of the inability of the minister to respond to this crisis in the housing industry.

Some hon. Members: Hear, hear!

Mr. McGrath: I wish to reflect the concern of many people in this country. The figures released by Statistics Canada yesterday indicate that there is a crisis. We are facing a zero vacancy rate by 1983 in the major markets of this country. Indeed, we have almost arrived at that point now.

According to his own document, this shortage will create a black market situation in which families will be forced to double up. It will bring on a Soviet Union kind of housing situation in this country.

Some hon. Members: Oh, oh!

Mr. McGrath: That is what we are facing. Non sequiturs of the minister in this House will not serve to address this situation.

Some hon. Members: Order.

Madam Speaker: Order, please. Was that the question, or does the hon. member now want to pose his question?

Mr. McGrath: Madam Speaker, with your indulgence I will now ask my question.

Given the fact we are facing zero vacancy in the major markets of this country—metropolitan Toronto is down to .4—I ask the minister, since he has met recently with the Housing and Urban Development Association of Canada, what advice he received from them, and more important, what advice has he offered his colleague, the Minister of Finance?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, perhaps I could assist the hon. gentleman if he is indeed looking for some opportunity to congratulate me for work in this ministry since I came into office. I would like to point out, for example, that the statistics he referred to are out of date. The starts across this country, not only for the month of August but September as well, are higher than the figures to which the hon. member has referred. As a matter of fact the average is somewhere in the region of 180,000. They are not the figures which he selectively used in one sector.

If the hon. member is looking for some good news, he should bear in mind that starts since last year have increased from a low seasonally adjusted average rate of approximately 150,000 to the latest reported figures for the month of September, which show approximately 180,000.

Some hon. Members: Hear, hear!

• (1120)

Mr. McGrath: Madam Speaker, I am not surprised. In this House the minister tried to discredit a document he himself signed and submitted to the cabinet, so it is not surprising that he would now try to discredit a report released yesterday by Statistics Canada.

EFFECT OF HIGH INTEREST RATES ON INFLATION IN INDUSTRY

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps the minister can enlighten the House. Since the Minister of Finance has indicated that high interest rates are the only means of bringing down the rate of inflation in this country, can the minister tell the House how this policy of high interest rates can reduce the rate of inflation in the housing industry?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in my first response I indicated that in starting this new term the government did a number of things to address the industry, which we recognized was facing difficulty and would face trend difficulties. For example, in his budget last

year the minister reintroduced capital cost provisions to assist on the supply side of housing through the MURB provision. That step taken by the government, which was abandoned by the government of which the hon. member was part, increased housing starts this year by an additional 20,000 units. In addition to that we have addressed the needs side or the affordability side by increasing co-op and non-profit social starts, to which I referred, and I talked about one project in the hon. member's city. We do appreciate that there are difficulties for the industry, and we have taken steps.

Returning to the comments of the Prime Minister earlier this week in metropolitan Toronto, the objectives are, on the one hand, to introduce growth in the economy while, at the same time, being sensitive and sensible with our steps.

HOME OWNERS FACING SHARP INCREASES IN MORTGAGE PAYMENTS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is also directed to the minister responsible for housing. It is supplementary to those of my colleague. I want to put to the minister a question which is on the minds of many Canadians today. Both he and the Prime Minister have stated that the budget will address the problems only of those people who are "in dire straits". Is the minister saying to those people who are not in dire straits, those who are facing sharp increases in mortgage payments over the next few years, that they will simply have to adjust their personal budgets to these very significant increases because of circumstances which are totally beyond their control?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, it is difficult to respond to members of the official opposition when they raise questions pertaining to housing. For example, on September 20 on the CBC the hon. member for St. John's East indicated that, in response to what we all understand to be difficult times for the industry, he was promoting massive government intervention. I take it that is not the position of the hon. gentleman who has just raised this question. As a matter of fact, in debate with me last weekend his point was that we had to show restraint and that there had to be a tailor-made response to an individual problem. I must admit I find it difficult to answer members of the opposition because I do not think they have their act together.

Mr. Wilson: Madam Speaker, perhaps the minister will get it straight; I am not asking the question for myself; I am asking it for those people who are faced with this problem and see the very fabric of our society changing because of the problems created by the government of which this minister is part. These are problems respecting interest rates and mortgage rollovers. The minister should not be answering me but answering those people who are watching.

MINISTER'S POSITION ON POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the minister responsible for housing is the minister who has taken the full brunt of the problem of very substantial mortgage payment increases these home owners face. Will the minister explain to this House how he can continue to be part of a government headed by a Prime Minister who displays the height of cynicism by asking these very same people to tighten their belts while we still have government spending increasing at runaway rates?

● (1125)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I can best answer that by contrasting what this government has done with what the previous government did while the hon. member's party was in office and had responsibility for the same kind of problems. I urge that this government continue, for example, to address supply. We have reintroduced the capital cost allowance which the previous government dropped. This government will continue to address affordability and those people who are impacted the most because of these problems. We have increased social starts through co-ops and MURB. Those are two very good examples of how to tailor a sensitive and sensible response to the situation.

* * *

VIA RAIL

REPORTED SLOWDOWN IN RUNNING TIME SCHEDULES—EFFECT ON PASSENGERS

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to address some questions to the Minister of Transport. Yesterday the minister said he will cut more trains unless more people use them. Will the minister tell us how he expects more people to use the trains after November 15 when he is slowing down schedules so that it will take 14 hours longer to go from Edmonton to Vancouver, including an overnight stay in a hotel, and with an average speed between Sydney and Saint John of 19 miles per hour? Will he explain to the House how that will encourage more people to ride the trains?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this morning the CBC really made news of that matter. Yesterday I was asked what was going to happen in terms of the future of railway transportation. I said it would all depend on the use that people make of trains. I felt I was reciting a banality equal only to the comment of someone who has lost an election, such as I did in 1972, and, when asked why he lost, says it was because he had fewer votes than this opponent. I thought I was saying something extremely conventional.

This morning it became almost an announcement that there would be future cuts in the system. I want to emphasize very strongly that this is not so. In fact the 20 per cent reduction that we are making is to prevent that, and to strengthen the 80 per cent that remains. What my friend will see in the future is

much more concentration on giving good service in order to attract clientele. That is what will happen.

ACCOUNTING SYSTEM

Mr. Les Benjamin (Regina West): Madam Speaker, the minister still has not explained how more people are going to use trains which travel at a horse-and-buggy speed. I raised this with the minister yesterday. Has he, or will he consider as an option or alternative to abandoning these passenger routes using the Amtrak system of accounting for VIA Rail instead of the costing order of the CTC, thereby saving $164 million based on 1980 costs?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I always hesitate to tackle in debate my hon. friend who is obviously an expert, internationally recognized as such. I am only a minister. When he says that about Amtrak, it does not take anything away from the fact that the same phenomenon of route reduction is also occurring in the United States. Therefore there must be some fundamental reasons for the phenomena we are now witnessing.

On the subject of costing order 6313, the financial relationship between VIA and the railways, CN and CP, I have said before that there is a task force on the subject and that the president of VIA has views on the subject. There is a debate on this subject at the moment. I was quite willing to bring this to the transport committee in order to get the enlightenment of the members of that committee. However, that debate on the costing relationship between VIA and the railways is not of such magnitude, of such economic proportions, that it changes fundamentally, if we are going to give VIA the proper equipment, the necessity of transferring money from the deficit of operations to the capital budget of VIA. That is the fundamental need.

● (1130)

The choice cabinet had was to have five years of uncertainty, five years of agony, and five years of debate on the subject. We assumed our responsibility and we said let us have the confrontation, let us have the debate, let us have the flack now because in the very best interest—

Madam Speaker: Order, please.

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TRANSPORT

PRIORITIES FOR FUTURE STRATEGY

Mr. Les Benjamin (Regina West): Madam Speaker, the minister conveniently forgets, in his protestations about wanting to appear before the transport committee, that it was his government that refused an order of reference to the transport committee the other day. Since the minister knows of the details of the strategy that were spelled out in a secret cabinet document prepared by the Minister of Economic Development, a document entitled "Priorities for Federal Government Economic Development Policies and Expenditures to the mid-1980s", I should like to ask the minister if he will confirm that the first priority for the new transportation strategy contained in that document includes termination of the Crow rate, recommendations for reduction of CN Marine subsidies, reassessment of the Maritime Freight Rates Act, greater cost recovery for federal services like dredging, navigation and icebreaking, and that there be more cost recovery to the user-pay principle?

Hon. Jean-Luc Pepin (Minister of Transport): The reasoning of the cabinet is very basic. The demand for transportation facilities in Canada, transportation equipment, railway equipment, better airports and so on, is so great that even if my colleagues in cabinet were to give me substantial amounts of money, which they have, we still need to make the best possible use of what I would refer to as the old money. This is what we are now trying to do. I will indeed get some new money for transportation, but at the same time, my marching orders—and I am a consenting adult—are to get the best use of the money immediately available. That is what I will try to do to the best of my ability. I have already discussed with the ministers of the maritime provinces a new approach to federal transportation support—

Madam Speaker: Order, please.

* * *

ENERGY

PROGRESS OF NEGOTIATIONS ON MEGAPROJECTS IN ALBERTA

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It has been two months since an energy agreement was signed with Alberta. As the minister knows, there is still a delay in the Alsands project north of Fort McMurray and the Imperial Oil project at Cold Lake. Is the minister or officials of his department carrying on negotiations with representatives of these two projects? Does the minister still support the construction of the two megaprojects? If negotiations are being carried on, could the minister inform the House when he will advise the House on these negotiations?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, officials of the government of Alberta and the Government of Canada have been meeting with officials of the concerned companies. Those discussions are proceeding well. However, I cannot state any particular timetable for the conclusions of those discussions. Both governments are trying to expedite those discussions. Obviously, in some instances, the companies themselves have to do further work and further examination of their forecasts.

STATUS OF COLD LAKE PROJECT

Mr. Jack Shields (Athabasca): I have a supplementary for the same minister, Madam Speaker. The government has a $40 million stake in the Imperial Oil project at Cold Lake, a project scheduled to proceed within a year of the energy agreement being signed,—actually a year since last June. Is the minister carrying on negotiations with Imperial Oil? Does he see the $40 million that the government has invested in this project at stake at this time? Or will the project proceed?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, we are very keen on getting both the Alsands project at Fort McMurray and the Cold Lake project proceeding. The negotiations are being pursued by the officials. I have had an opportunity to discuss both projects with the heads of the corporations at various times in the last few months. We certainly hope we will reach satisfactory conclusions soon with regard to those two projects.

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REGIONAL DEVELOPMENT

ELIMINATION OF PRINCE EDWARD ISLAND PUBLIC SERVICE POSITIONS

Mr. Tom McMillan (Hillsborough): My question is directed to the President of the Treasury Board who has just returned from Prince Edward Island. With the recent signing of the third and final phase of the P.E.I. Comprehensive Development Plan, the federal government appears to have served notice that it intends to take over some programs on the Island previously cost shared between the two levels of government but administered by the province of Prince Edward Island.

This new approach has forced the government of Prince Edward Island to eliminate some 160 public service positions. Will the federal government try to lessen the blow to provincial public servants who have been laid off by making a real effort to hire those same public servants when the federal government assumes control over programs previously administered by the province?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the Minister responsible for DREE is not here today, and I believe the Minister of Veterans Affairs is also not here today. However, I have certain knowledge of the subject, and I would be pleased to make the information available to the hon. member. First of all, the action of the federal government taking over the direction of certain aspects of spending in the province has not accounted for lay-offs of the kind that the government of Prince Edward Island is trying to justify.

Last week in Prince Edward Island the Minister of Veterans Affairs pointed out that the total number of employees that might be affected by the direct involvement of the federal government would be somewhere in the neighbourhood of 35, 45 or 50 of these employees. It is because the government of the island has not made sufficient provision for placing employees whom it knew would be laid off in any event as the program winds down toward the end of a 15-year period which expires in 1984.

In reply to the second part of the hon. member's question, there may indeed be opportunities for some employment in other sectors by reason of the federal government's involvement. However, I have no specific knowledge in that regard. I expect the minister for DREE will be addressing that question, together with his counterparts in other ministries, who have responsibility for certain aspects of the over-all program in Phase Three.

ADMINISTRATION OF FEDERALLY FUNDED PROGRAMS

Mr. Tom McMillan (Hillsborough): Madam Speaker, the President of the Treasury Board obviously does not have the facts. Since the Minister of Regional Economic Expansion is not present in the House today, and he has not been in the House for question period since Parliament reconvened, I will direct my question to the Acting Minister of DREE. The federal government seems hell bent on obtaining as much political and partisan credit as it can get from expenditures of the federal government in areas of provincial or overlapping jurisdiction, by controlling more programs itself rather than having those programs administered by the provinces.

Following the recent signing of the P.E.I. Comprehensive Development Plan, has the federal government identified the specific programs in the DREE area that it intends to take over from the province? Has it looked into this matter? Has it addressed the problems? Has it identified the programs it plans to take over and, if so, what are those programs?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, for the benefit of the hon. member opposite I might shed a little light on the question that he asked. The number of positions that were terminated by the government of Prince Edward Island was 161. I indicated publicly, as have my colleagues in the various line departments, that for the number of programs directly affected where direct delivery of programs will imply a reduction in employees, that reduction amounts to between 38 and 51 positions. Unfortunately the government of Prince Edward Island has chosen to lay off individuals who, from the beginning of the plan, were never cost shared and were clearly in areas of provincial jurisdiction. It is a question that it must answer.

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THE CONSTITUTION

DISCUSSIONS WITH NATIVE COUNCIL OF CANADA

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Prime Minister, the Prime Minister has given his word to the Native Council of Canada that he will meet with them to discuss matters that he will be discussing with the first ministers next week. Will the Prime Minister indicate

whether he intends to keep his word, or is that another promise to be added to the already long list of broken promises?

● (1140)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in this particular case the fact that I have not met with native leaders yet is due to causes which the hon. member knows well, such as the fact that we have suffered several weeks of delay in getting on with the final stage of the constitutional debate. I always indicated to them that I intended meeting with them this fall. That will still be the case, but I find it more useful to meet with them after we have settled this constitutional matter in a way that they will know what role they will be able to play in the next stages. The hon. member will recall that in the resolution before the House provision is made for meetings over a period of two years with the native leaders. I am waiting for that resolution to be accepted to give effect to that undertaking.

TIMING OF MEETING

Hon. Erik Nielsen (Yukon): Madam Speaker, the Native Council of Canada clearly understood that the Prime Minister's word related to a meeting with the Native Council prior to his meeting with the premiers next week. They will now know that his word is like the snow—it goes away in the spring.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is hardly a question. That is a comment which is very far from the truth.

Mr. Paproski: Then why are you answering it?

Mr. Trudeau: How can the hon. member say that the native people know that? They did not know when I would be meeting with the premiers any more than the hon. member. The agreement was that we would meet sometime this fall, and I say that I will keep that agreement. Whether it was to be before or after the premiers' meeting was never discussed with the native leaders. The hon. member knows that. He is just making up things, as he often does.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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POST OFFICE

MONARCH'S PORTRAIT ON POSTAGE STAMPS

Mr. D. M. Collenette (York East): Madam Speaker, my question is addressed to the Prime Minister. Can the Prime Minister tell the House whether press reports are true that Her Majesty's portrait will not be included in a new series of postage stamps to be issued next year?

Some hon. Members: Sit down!

Mr. Collenette: If this is true, can the Prime Minister assure the House that such a change does not reflect government policy heralding the diminution of the role of the monarchy in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I realize the monarchy is not a subject which interests hon. members opposite, but I know that on this side—

Mr. Andre: At least blush!

Some hon. Members: Oh, oh!

Mr. Trudeau: You hear the groaning, Madam Speaker. We are not groaning on this side. They are goaning over there.

Mr. Baker (Nepean-Carleton): You are whining.

Mr. Trudeau: People on this side were concerned by an article which was shown to me, appearing in this morning's papers, that indicated the 1982 stamp program has not been given final approval. That is true, and that is why the Post Office will have to publish its first stamp in January without an absolute figure on that stamp as to the amount of cents that the stamp composes. But as to the final decision on whether the Queen will appear on any stamp in 1982—

Mr. Stevens: A fill-in stamp.

Mr. Trudeau: —the article says that this decision will be made later this year. I can tell the House that that decision has been made, that there will be a Queen on the stamp in 1982.

Some hon. Members: Hear, hear!

Mrs. Mitchell: Now, how about the economy?

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HOUSING

EFFECT OF STRIKE ON PEOPLE RENTING ACCOMMODATION IN THOMPSON, MANITOBA

Mr. Rod Murphy (Churchill): Madam Speaker, I have a question which is more important to some people in Thompson. My question is directed to the minister responsible for CMHC. It may not be important to Liberal backbenchers, but it is important to the people of my riding. Last week CMHC sent out eviction notices to a number of people who are on strike against INCO Metals. These people are willing to pay partial payments of their rents. This practice is acceptable to private landlords in Thompson. I hope it is acceptable to the minister responsible for CMHC.

In light of the fact that CMHC has over 50 per cent of the rental accommodations in the city of Thompson, will the minister assure the people of Thompson that there will be no evictions as long as there are reasonable partial payments of rents? Will he assure us that in Future CMHC will not send out eviction notices only five days before eviction takes place, in the winter climate?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, this is the first notice I have had of the points raised by the hon. member. Quite frankly I am surprised that any eviction notices went out, because in mid-September I instructed the president of the corporation, attending present discussions on housing and the representations which were made by the public generally, that no notices should go out. I am happy to take the representations to heart. I will bring them to the attention of the corporation immediately.

STAY OF EVICTIONS SOUGHT

Mr. Rod Murphy (Churchill): Madam Speaker, I have a letter from the CMHC office in Thompson, Manitoba, dated October 21, 1981. It demands payment or eviction by October 26. It is a form letter; just the date and the amount are filled in, so obviously it is not something new. Could the minister assure us that if these people make partial payments, which is reasonable under the circumstances, they will not be evicted? It is a matter of immediate concern to those people.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I indicated the immediate response I would take, that is, to have the president of the corporation contact the local branch and that any notice of eviction would be stayed for the time being. I will take the representations and convey them to the corporation to take a look at the situation, if indeed it is as alarming as the hon. member pointed out.

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ENERGY

EAST COAST OFFSHORE EXPLORATION PERMITS

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister recently concluded his third agreement on oil pricing and taxation with a producing province. He is presently attempting to reach similar agreements on offshore oil with the governments of Newfoundland, Nova Scotia and British Columbia. Could the minister indicate to the House, in light of these talks, what is happening on the deadline for submitting proposals relating to the new east coast offshore exploration lands in Atlantic Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, certain exploration permits were being considered for issuance by November 10 on significant blocks of land on the east coast. However, the government of Newfoundland requested that we extend the delay for issuing those permits until the conclusion of our discussions in February. In the spirit of compromise and good faith, and in order to advance the discussions and the negotiations, I have decided to extend the delay for consideration of those permits until February 28 and thus fully answer the request made by members of the government of Newfoundland in order to accommodate them in our discussions.

Mr. Clark: That would be a good date for VIA Rail.

AGRICULTURE

QUERY RESPECTING STABILIZATION PAYMENTS TO APPLE GROWERS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I have a couple of questions for the Minister of Agriculture which I will try to compile into one. The minister will be aware that the apple crop in 1980 was overly large and that stabilization payments should have been made then. Also he will be aware that in the winter of 1980-81 there was a tremendous amount of winter kill on the trees. First, when will the stabilization be paid for the 1980 crop of apples? Second, will he put any program into place to assist orchard growers who lost up to 40 and 50 per cent of their trees in the winter kill of 1980-81?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is aware that we make no payment for losses which can be covered by crop insurance. If I understand correctly, there may be reason to pay in one of the provinces where such coverage was not available to farmers.

Yes, we have submitted figures for the stabilization payment for the crop production year of 1980. I think our submission is around $20 million. Yes, it will be considered very soon. I met with the Canadian Horticultural Council this morning to discuss that figure.

* * *

● (1150)

ADMINISTRATION OF JUSTICE

PROSTITUTION IN VANCOUVER

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the acting minister of justice because the Minister of Justice is not in the House today. I know the hon. member is aware of serious problems which are experienced by residents of the west end of Vancouver because of the presence of prostitutes and pimps on their streets. He knows that the residents have organized themselves into a group called "Concerned Residents of the West End," to protect themselves. We are talking here about passion in the parking lots and clients in the churches of the residential neighbourhood. The hon. member is also aware that the people in our area feel that the prostitutes have turned the neighbourhood into a sexual marketplace, as the residents constantly write me.

In light of the need for stronger federal legislation to deal with this problem, why is it not on the agenda for the federal-provincial justice ministers' meeting which will be held next week?

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, I am very pleased to respond to the question of the hon. member. I have had the opportunity to enter into

discussions with some of the concerned citizens from the west end of Vancouver on this very important matter. As the hon. member points out so correctly to this House, they have indicated that their neighbourhood is in the process of being destroyed and that action must be taken to stop this intent.

I understand that representations have been made to the provincial government of British Columbia, which is concerned with the law enforcement provisions. Our department has this matter under very active consideration at this time. It is a matter of very grave concern to our government.

Some hon. Members: Hear, hear!

CRIMINAL CODE PROVISIONS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also addressed to the acting minister who, of course, as the justice minister, has failed to bring forward any answers. This is not an issue of provincial jurisdiction or municipal jurisdiction; it is strictly federal, and it should be on next week's agenda.

In the past the justice minister has said that the opposition to changes in the Criminal Code comes from women's groups. Would he please tell the House which women's groups have indicated that they oppose measures which would deliver the residential neighbourhood of the west end back to the people who live there and away from the prostitutes and pimps who now control it?

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): The question, Madam Speaker, refers to the statements previously made by the minister. I am not aware of those statements, and because he is not in the House I therefore cannot respond to them. However, I do wish to reiterate the fact that our government and the minister are concerned about this situation, and will be taking measures.

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COMMUNICATIONS

RECEPTION OF TELEVISION SIGNALS VIA FOREIGN SATELLITES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of Communications who will know that yesterday the government just lost its second case relating to the unauthorized reception of foreign signals from foreign satellites, with the result that the government's communications policy is left in tatters in that area. What is he going to do next?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I would like to point out, first of all, that this is a prosecution which was not launched by the government, as such, but by the CRTC.

Obviously, it is a question of importance. While I am most sympathetic to the desires of the residents of Newfoundland to receive PBS, as are many hundreds of thousands of Canadians, and I think we must find some way of seeing that they do receive this type of signal, the decision itself will undoubtedly be appealed, once we have had the opportunity of examining it because, if the initial reports that have come to me are correct, it has far-reaching implications.

The implication would be that any cable undertaking in this country could simply bring in whatever signals it wanted from American satellites and rebroadcast them over the Canadian system. That, in itself, may not be an unfortunate result, when one is looking at the PBS system, but there are a number of other signals on the American satellites, and the proliferation of such signals would endanger the continued existence of the Canadian broadcasting system as we know it. There are a number of other signals which are perhaps not as desirable as the PBS signals. I could mention the three pornographic channels that exist at the moment on American satellites.

POSSIBILITY OF DISCUSSIONS WITH UNITED STATES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the minister will be aware that the FCC in the United States is deregulating and is prepared to liberalize its policy with regard to international reception of signals. Second, he will be aware that provincial governments have called upon him to begin negotiations with the United States to allow for the reciprocal reception of signals off each other's satellites. Third, he will be aware of the fact that the Therrien Committee, chaired by a member of the federal government's CRTC, recommended exactly that.

Is he now prepared to open discussions with the United States to allow for reciprocal reception of at least a limited number of each country's satellite programs?

Hon. Francis Fox (Minister of Communications): Madam Speaker, our interest, of course, is in seeing to it that all Canadians receive access to approximately the same number of signals no matter where they live in the country. The major initiative in that regard was taken last year when the CRTC authorized the CanCom organization, which is headquartered in Whitehorse, which is in the riding of the hon. member's House leader. That system itself is making available on satellite four television signals right across Canada—one from a Vancouver station, one from an Edmonton station, one from a Hamilton station, and another one which is basically a French language station—plus eight radio signals. Therefore, vast progress has been made in a very short period of time, making a larger number of signals available to Canadians in every part of the country.

On the question of extending what is commonly known as the three plus one rule, which is really the only subject of discussion at this moment, I do not believe that anyone in this House would want to argue that we should have a completely open sky policy in this country and that we should allow all Canadian cable companies, for instance, to rebroadcast every signal that is available off air or coming in from the United States satellites. On the question of three plus one, we have

already approached the American authorities and we have had discussions at the very preliminary state, and we will be continuing those discussions.

* * *

THE ENVIRONMENT

CHEMICAL POISONING OF LAKE ONTARIO

Mr. Peter Lang (Kitchener): Madam Speaker, my question is directed to the minister responsible for the environment. Can the minister confirm reports of dangerous levels of dioxin being found in Lake Ontario fish; would be comment on any hazard there is to drinking water now or in the future; and could he inform the House what steps the government is taking to impress upon the United States President and Congress that they cannot continue to allow their chemical companies to poison Canadian fish, Canadian lakes, Canadian drinking water, and Canadian people?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, there are, indeed, recent indications of detection of higher levels of dioxin in the Great Lakes. It is not entirely clear whether these represent increased levels, or whether it is simply that the sophistication of our detection procedure is now such that we can detect quantities which we were not able to detect in the past. It is a matter of great concern to us.

I met earlier this week with public action groups which are concerned about this issue. We have jointly agreed that it is very important to come together with the province of Ontario to co-ordinate our strategy for responding to this problem. I will be meeting with the officials and the minister, my colleague in the provincial government, within a very few days. We believe that it is possible to continue the very strong representation we have been making toward the United States in relation to this problem. The problem is not, we believe, that there are any new sources of entry of dioxin into the Great Lakes system.

Some hon. Members: Enough!

Mr. Crosbie: A lot of acid gas, is all it is.

Mr. Roberts: Hon. members across the aisle may not be concerned about the situation of the Niagara River and the content of dioxin in the lakes, but I can assure them that it is of very great concern to very many hon. members in the House—unfortunately, not so many on that side of the House.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Stop talking about it and answer the question.

Mr. Roberts: The point, Madam Speaker, is not that there is not so many new sources of entry of dioxin, but more probably that there is leaching to the water system from the old sites of dioxin disposal, particularly in relation to the Hooker chemical plant. On that point we have been making continuing representation to the Americans, and we have assisted in the legal process in the United States to try to ensure that those problems are corrected. We will continue with that kind of effort.

Some hon. Members: Hear, hear!

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THE ADMINISTRATION

ROLE OF FORMER DEPUTY MINISTER IN FORMATION OF URANIUM CARTEL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question, directed to the Prime Minister, relates to a matter with which he will be familiar. In the interview given by his new Minister of State, Senator Jack Austin, to *The Vancouver Sun* on October 15, 1981, the new Minister of State indicated that he, personally, in his then capacity as deputy minister of energy, mines and resources, initiated those international discussions which led to charges being laid in Canada in relation to the uranium cartel.

Mr. Crosbie: When is he going to be charged?

Mr. Clark: He said that he could not elaborate on his role because of the government's gag order.

I have two questions for the Prime Minister. One, would he agree to suspend that gag order as it relates to a member of his ministry; second, would he make a reference that would allow his new minister to testify before an appropriate committee of Parliament so that we can determine his exact role in the establishment of the uranium cartel and, consequently, his fitness to serve in the ministry of Canada, and the reasons as to why he was not named among the unindicted co-conspirators?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must remind the hon. Leader of the Opposition that what he calls a gag rule is a rule which was brought down to prevent United States law from having—

Some hon. Members: Oh, oh!

Mr. Trudeau: —extraterritorial effects; in other words, to prevent United States law from acting with compelling force in Canada. That is the gag rule of which the hon. member disapproves. We believe then, and we believe now, that it is important to protect Canadians from being summoned by a writ of the United States government to do things in this country which are legal. We believe that is the proper position to approve.

● (1200)

With respect to why Senator Austin was not named, surely the question should not be addressed to me. It should be addressed to those who conducted an investigation over a period of several months, with independent counsel, and who

brought out a report which indicated that certain actions should be taken and certain procedures should be followed, but they did not involve Senator Austin. It was an inquiry carried out by an independent tribunal, and I do not believe that it is up to the Right Hon. Leader of the Opposition or myself to second guess that work.

Some hon. Members: Hear, hear!

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am sure the Right Hon. Prime Minister would not want to have among his ministers someone over whom a cloud of suspicion hangs, as it does in the case of Senator Austin.

An hon. Member: There are a dozen of them.

Some hon. Members: Oh, oh!

Mr. Clark: Perhaps some of the hon. members on the government side do want to have that sort of suspicion hang over the ministry, but members of this House of Commons do not want that to occur.

Mr. Crosbie: It is a chain gang.

Mr. Clark: My question is quite specific to the Prime Minister. It relates to our ability as a Parliament to judge the fitness to serve in the ministry of Canada of a new minister of the Crown, and to look into the question of the role of that individual, then in the Public Service of Canada, in the uranium cartel. Would the Prime Minister authorize his minister, Senator Austin, to speak with absolute freedom about all aspects of his personal involvement in the uranium cartel?

Would the Prime Minister then make an appropriate reference so that a committee of this House of Commons, which is concerned about the propriety of actions of ministers, could examine Senator Austin, could learn all of the facts of his involvement, and could answer the question as to why people who were inferior to him in the Public Service of Canada are listed as unindicted co-conspirators, but Senator Austin is not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can answer unequivocally that in so far as I know there is no cloud of suspicion over Senator Austin.

Mr. Crosbie: That's what you think.

Mr. Trudeau: If hon. members want to make some form of accusation, they can do so. But we know that the commission of inquiry into the whole of uranium matter and the matter of the cartel came up without any indication that Senator Austin had acted reprehensibly in any way. So in so far as any sincere member of this House is concerned, that should indicate there is no cloud of suspicion. If the hon. member opposite wants to invent a cloud of suspicion and then justify that suspicion by saying that we will then go fishing into people's past lives, I suggest that is not a very democratic way to proceed. An objective inquiry took place. The inquiry found no cloud of suspicion. If the hon. member still sees a cloud of suspicion, let him make an accusation.

Some hon. Members: Hear, hear!

STATEMENT MADE BY MINISTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, Senator Austin has made an admission. He has also indicated that he is not free to speak fully because of the gag order. That was his testimony. Will the Prime Minister of Canada make arrangements to allow his minister to speak freely and tell the whole truth to a committee of this House of Commons?

Mr. Crosbie: Remove the gag.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the Opposition said that Senator Austin made an admission. Yes, he made an admission that he was deputy minister at a certain time in history. That is known. The commission of inquiry looked at the actions of the government and of its officials at that time and found no cloud of suspicion.

What does the Hon. Leader of the Opposition mean when he says that Senator Austin made an admission? The Leader of the Opposition could make an admission that he was Prime Minister for a short time. But what does that mean? Does he mean that he was guilty of something, apart from not knowing how to count?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

IMPORTATION OF URANIUM MINED IN NAMIBIA

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is addressed to the Secretary of State for External Affairs. It concerns the importation of uranium mined in Namibia by a federal Crown corporation, Eldorado Nuclear Limited. In September the Secretary of State for External Affairs expressed concern that the importation of uranium from Namibia, whether or not it was legal, would legitimize the South African presence in Namibia. In light of that, and if the minister goes along with that, could he tell the House why he allowed Eldorado Nuclear to import uranium mined in Namibia?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, there is no infraction of any national or international law, nor any policy of the government that has been established with respect to the action to which the hon. gentleman refers. Therefore, when the hon. member asks me why I do not stop the importation of uranium from Namibia, I cannot because I have no authority to stop it.

As I indicated in the interview to which the hon. gentleman refers, we are concerned about such a situation. But at the same time the hon. member has to take into account that settlement attempt by the contact group of five is proceeding very well. This is a much better way to deal with Namibia's problems than concentrating on this one incident.

LEGISLATION SOUGHT TO BAN IMPORTS FROM NAMIBIA

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the minister is quoted as saying in a CBC television interview that, whether or not it is a question of law, he is still very concerned about the morality of the issue. In light of the United Nations resolutions of 1970 and 1971 concerning Namibia and South Africa's presence in Namibia, and in order not to violate the spirit of those resolutions, is the Secretary of State for External Affairs now prepared to introduce legislation into this House that would prohibit the importation of any goods from Namibia?

Hon. Mark MacGuigan (Secretary of State for External Affairs): No, Madam Speaker, that is not policy at the present time. As the hon. gentleman has correctly indicated, I am concerned about the morality of the situation. The law does not always immediately adjust to morality, and we are in a situation now where there is a reasonable chance of proceeding to a settlement of the Namibian problem in a very short time.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Thursday, October 29, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

REMEMBRANCE DAY

OPPORTUNITY FOR MEMBERS TO LAY WREATHS AT CENOTAPHS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I have a point of order. It was may understanding that the Minister of Veterans Affairs (Mr. Campbell) would announce some time this week that Members of Parliament from this party and from other parties would have the opportunity to lay wreaths at different cenotaphs on behalf of the federal government.

Madam Speaker: The hon. member does not have a point of order. He has a question which he might want to raise during question period, but it is not a point of order.

COMBINES

REQUEST FOR TABLING OF COMMISSION REPORT ON URANIUM CARTEL

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I rise on a point of order. I am sorry to see that the Prime Minister (Mr. Trudeau) has already left the House but perhaps someone could answer on his behalf. In replying to a question posed by my leader with respect to the uranium cartel, you will recall the Prime Minister said that the combines investigation report threw no shadow of doubt nor any other suggestion of wrongdoing concerning Senator Austin. As all hon. members know, we have not seen that report.

My point of order is to ask the Prime Minister to table that report so that all members of Parliament, based on the evidence, could judge for themselves whether any reference to the senator of a questionable nature is made in that report. In short, as the report has now been referred to in debate, I suggest that under the rules the requirement is that it be tabled.

Madam Speaker: The rule that applies in the House is that if someone quotes from a report, then he or she is obligated to table it. However, I am sure the Prime Minister will take note of the hon. member's request, and it is up to the Prime Minister to decide whether to comply with it.

ROUTINE PROCEEDINGS

[*English*]

DISABLED AND THE HANDICAPPED

TABLING OF INITIAL GOVERNMENT RESPONSE TO "OBSTACLES" REPORT OF SPECIAL COMMITTEE

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, pursuant to Standing Order 41(2), I have the pleasure to table on behalf of the Minister of National Health and Welfare (Miss Bégin), in both official languages, the initial response of the federal government to the "Obstacles" Report of the Special Committee on the Disabled and the Handicapped.

* * *

● (1210)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,506, 2,722, 2,752, 3,029 and 3,227.

Order Paper Questions

[*Text*]

ANGLICAN CHURCH RESOLUTIONS

Question No. 1,506—**Mr. Cossitt:**

Is the government aware that the General Synod of the Anglican Church of Canada at its June session passed certain matters related to government on the subject of pensions, abortion, a bill of rights, human rights, industrial development and native land claims and (a) if so, what is the government's policy on the subjects (b) if not, will it contact the Anglican Church of Canada for copies of such resolutions to consider the policies written therein?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare, Justice, Regional Economic Expansion and Indian Affairs and Northern Development as follows:

In so far as the Department of National Health and Welfare is concerned:

(a) On the subject of pensions, the Synod recommended that its national executive explores whether or not government pension and welfare payments discriminate against married couples, and it requested its officers to take action, if appropriate. It is the view of the Department of National Health and Welfare that the pension programs it administers do not discriminate against married couples. The guaranteed income supplement is paid at a higher level to a single pensioner than to married pensioners, but this is considered to be a legitimate reflection of their relative cost of living.

(b) Not applicable.

In so far as the Department of Justice is concerned: No. (a) Not applicable. (b) Not applicable. We would, of course, be pleased to receive copies of the resolutions relevant to the department's mandate and would give them consideration.

In so far as the Department of Regional Economical Expansion is concerned: (a) and (b) The Department is aware of the resolutions of the General Synod of the Anglican Church. The text of the resolutions however is not available since it has not yet been published.

In so far as the Department of Indian Affairs and Northern Development is concerned: (a) and (b) No. The department would, however, be pleased to receive a copy of the pertinent resolution(s) for comment.

NUMBER OF ABORTIONS SINCE 1975

Question No. 2,722—**Mr. Beatty:**

For each year since 1975, by province, how many fetuses were aborted at (a) 21 weeks or over (b) 13 weeks or over?

Hon. J.-J. Blais (Minister of Supply and Services): The tables below give the number of therapeutic abortions authorized under the current abortion legislation and performed in hospitals with therapeutic abortion committees. These tables are tabulated by province since 1975.

The gestation period referred to in tables I and II is the interval between the onset of the last menstrual period and the expulsion or removal of the fetus. The area refers to the residence of the women who obtained the therapeutic abortions.

The data for 1980 are not yet available.

Table I

Number of fetuses therapeutically aborted with gestations 21 weeks and over

Area	1975	1976	1977	1978	1979
Newfoundland	1	—	2	—	1
Prince Edward Island	—	—	1	—	—
Nova Scotia	10	16	5	10	11
New Brunswick	2	3	1	2	2
Quebec	19	22	54	42	33
Ontario	31	19	37	31	23
Manitoba	2	2	6	4	—
Saskatchewan	12	2	1	4	6
Alberta	11	14	26	12	13
British Columbia	20	14	17	17	25
Yukon	1	1	—	—	—
Northwest Territories	—	—	—	—	—
Canada	109	93	150	122	114

Table II

Number of fetuses therapeutically aborted with gestations 13 weeks and over

Area	1975	1976	1977	1978	1979
Newfoundland	64	138	168	174	166
Prince Edward Island	13	8	11	7	10
Nova Scotia	290	382	367	400	314
New Brunswick	95	99	82	95	84
Quebec	963	1,060	1,004	1,028	1,054
Ontario	4,409	4,109	3,882	3,910	3,873
Manitoba	394	367	421	500	277
Saskatchewan	290	165	126	146	205
Alberta	948	1,064	1,226	1,317	1,363
British Columbia	1,681	1,724	1,704	1,888	1,752
Yukon	23	11	19	14	14
Northwest Territories	9	26	23	31	17
Canada	9,179	9,153	9,033	9,510	9,129

Note: 21 weeks and over included.

NATIONAL ACCOUNT SINCE 1926

Question No. 2,752—**Mr. Cossitt:**

For each year since Confederation, on a national accounts basis, what was the (a) spending (b) revenue (c) surplus or deficit of the government?

Hon. Pierre Bussières (Minister of State (Finance)): The federal government revenue, expenditure and surplus (or deficit) on a national accounts basis from 1926 to 1980-81 are shown in the list below. Figures were not compiled for the years prior to 1926.

Federal government: National accounts basis

	Revenue	Expenditure ($ Millions)	Surplus or Deficit (–)
1926	389	–321	68
1927	404	–336	68
1928	449	–344	105

	Revenue	Expenditure ($ Millions)	Surplus or Deficit (−)
1929	418	−362	56
1930	293	−389	−96
1931	249	−409	−160
1932	233	−387	−154
1933	266	−380	−114
1934	316	−409	−93
1935	332	−453	−121
1936	422	−459	−37
1937	485	−476	9
1938	437	−524	−87
1939	481	−483	−2
1940	884	−1,024	−140
1941	1,523	−1,550	−27
1942	2,042	−3,765	−1,723
1943	2,469	−4,412	−1,943
1944	2,611	−5,320	−2,709
1945	2,466	−4,298	−1,832
1946	2,632	−2,877	−245
1947	2,776	−2,089	687
1948	2,717	−1,952	765
1949	2,699	−2,215	484
1950-51	3,340	−2,470	870
1951-52	4,237	−3,715	522
1952-53	4,790	−4,575	215
1953-54	4,753	−4,599	154
1954-55	4,643	−4,735	−92
1955-56	5,164	−4,794	370
1956-57	5,849	−5,196	653
1957-58	5,504	−5,606	−102
1958-59	5,486	−6,263	−777
1959-60	6,307	−6,560	−253
1960-61	6,500	−6,815	−315
1961-62	6,858	−7,355	−497
1962-63	7,062	−7,466	−404
1963-64	7,541	−7,728	−187
1964-65	8,549	−8,153	396
1965-66	9,312	−8,719	593
1966-67	10,260	−10,024	236
1967-68	11,189	−11,336	−147
1968-69	12,696	−12,621	75
1969-70	14,815	−13,837	978
1970-71	15,734	−15,823	−89
1971-72	17,820	−18,075	−255
1972-73	20,614	−20,812	−198
1973-74	23,987	−23,801	186
1974-75	30,763	−30,810	−47
1975-76	32,642	−36,560	−3,918
1976-77	36,095	−40,323	−4,228
1977-78	36,148	−45,541	−9,393
1978-79	39,744	−49,369	−9,625
1979-80	45,157	−54,472	−9,315
1980-81	52,847	−62,711	−9,864

Note: Figures for 1926 to 1949 relate to calendar years while figures from 1950-51 on are on a fiscal year basis. As an indication of comparability, the 1950 revenue, expenditure and surplus were $3,020 million, $2,370 million and $650 million respectively compared to corresponding 1950-51 figures of $3,340 million, $2,470 million and $870 million.

MR. ED WEBSTER

Question No. 3,029—**Mr. Cossitt:**

1. Is the government aware that Mr. Ed Webster of the Department of Industry, Trade and Commerce in Toronto was telephoned on August 20, 1981 by a member of the staff of the office of the Hon. member for Leeds-Grenville as a result of an inquiry from a constituent and, with reference to the constituent, did Mr. Webster state "Mr. . . . can drop dead" and, if so (a) is it government policy to permit public servants to refer to citizens in such terms (b) is it government policy to permit public servants to make such remarks to members of Parliament or members of their staff when they are requesting information?

2. Did Mr. Webster also state that he resented "political pressure" being placed upon him and is it government policy to consider an inquiry to a government department by a constituent as something a member of Parliament should not follow up on to obtain legitimate information and does the government construe this as "political pressure"?

3. Did Mr. Webster receive a telephone call following the incident on the same day from the Hon. member for Leeds-Grenville and, in the course of this conversation, did he (a) admit that he said the constituent could drop dead (b) say that he resented the constituent contacting the member's office on the grounds that he had no business to do so because the Department of Industry, Trade and Commerce had been working on the matter for some time (c) allege that the "political pressure" was being sought by the constituent and did he condemn the constituent for calling his member of Parliament?

4. (a) Is the government aware that the member for Leeds-Grenville pointed out to Mr. Webster that every Canadian had the right to call his member of Parliament at any time (b) was it also pointed out to Mr. Webster that he was a public servant who should serve the public rather than make abusive statements about them?

5. (a) What is a complete record of Mr. Webster's history in the Public Service (b) has Mr. Webster ever been given a course in public relations and (i) if so, on what date (ii) if not, will the government provide such a course for Mr. Webster to prevent further incidents of this kind?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): If the hon. member has a complaint about a public servant he would be better advised to communicate directly with the minister concerned rather than attack publicly an individual who has no equivalent vehicle by which he may defend himself. For this reason the government will not answer this question or any question similar to it.

COST OF CABINET MEETING

Question No. 3,227—**Mr. Cossitt:**

1. What was the total cost of the cabinet meeting held at Mount Orford, Quebec in the fall of 1981, including transportation to and from, accommodation, food, beverages and the cost for the staff of cabinet ministers and of the Prime Minister and any others in attendance?

2. For what reason was the meeting not held in Ottawa and would it not have been at a considerably less cost to the taxpayer?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. There has not been a cabinet meeting held at Mount Orford, Quebec, in the fall of 1981.

2. Not applicable.

[*English*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 1,667 and 2,692 could be made orders for returns, these returns would be tabled immediately.

Madam Speaker: Order Paper questions Nos. 1,667 and 2,692 will be deemed to have been made orders for return. Is that agreed?

Some hon. Members: Agreed.

Madam Speaker: Returns tabled forthwith.

[*Text*]

APPLICATIONS FOR DIP GRANTS

Question No. 1,667—**Mr. McKenzie:**

1. What is the total number of applications currently before the Defence Industry Productivity Programme (DIP) and what are the names of the companies?

2. What are the names of the companies currently being considered for rebates under the Programme and what is the dollar value of each rebate?

3. What is the length of time each company has been waiting and on what date will they receive an answer?

4. What was the total amount of rebates considered by DIP in the (a) 1978 (b) 1979 fiscal year, and what are the names of the companies who received a rebate?

5. What is the total amount of rebates awarded so far in the 1980 fiscal year, and what are the names of the companies who received a rebate?

Return tabled.

APPLICATIONS TO TRAVEL BY SOVIET DIPLOMATS

Question No. 2,692—**Mr. Jelinek:**

1. What number of Soviet diplomats, restricted to the confines of the National Capital Region, asked for special permits to travel in other parts of Canada in the past (a) six months (b) year (c) two years (d) three years (e) five years?

2. In each case (a) what was his/her name and position (b) how many times did he/she apply (c) was the application (i) approved (ii) rejected?

Return tabled.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Thrusday, October 29, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

Mr. Gordon Taylor (Bow River): Mr. Speaker, the government under the Right Hon. Joe Clark would have enabled thousands of Canadians to become involved with Petro-Canada today in a meaningful way. The people would have got a share of the profits in their own pockets to spend as they chose. The developers and producers would have had an incentive to go out and search for oil and gas knowing their findings and successes would not be expropriated by the government and given to one of their competitors, as will be done under Bill C-48. They would not have been denied a fair profit. The Crown would also have got a fair share. The companies, the people and the workers have confidence in the Right Hon. Joe Clark. They have no confidence—

Some hon. Members: Order.

An hon. Member: That is not parliamentary language.

The Acting Speaker (Mr. Ethier): Order, please. Last evening the Chair asked the hon. member to refer to members by their constituencies and not by their names. I again invite him to do so.

Mr. Taylor: The companies, the people and the workers have confidence in the right hon. member for Yellowhead (Mr. Clark).

Some hon. Members: Hear, hear!

Mr. Taylor: They have no confidence in the Prime Minister (Mr. Trudeau) or in the Minister of Energy, Mines and Resources (Mr. Lalonde). Without confidence there is little or no investment, and we see that occurring in Canada with our money going out of the country. When there is little or no investment there are few or no findings of new oil and gas. This also means few or no jobs, and that is why we have almost one million people unemployed.

The right hon. member for Yellowhead believes in and practises free enterprise. The present Prime Minister does not believe in free enterprise. He believes in socialism, collectivism and government monopoly, and has no intention of letting free enterprise work or function. Under a Tory government Canadianism would be more meaningful with more ownership of industry by rank and file Canadians—not only the rich, the everyday worker. There would be more investment in Canada and less Canadian money going out of our country with more jobs for Canadians. This would all be done under a free enterprise system.

Free enterprise built this country and free enterprise today is being slowed down by the barnacles of socialism being tacked on to it by the present government. The Tory government would have built up this country before, but the next time we have a Tory government we will have a free enterprise system. Free enterprise is being discouraged in Canada today. Even the Prime Minister gets on the radio and tells us free enterprise has failed. Free enterprise has not failed. If there has been any failure it has been because there has been too much socialism and collectivism attached. These barnacles slow down free enterprise. There is no better incentive in the

world than enabling someone to make a profit through hard work, but this government is—

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

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate I think it would be wise to remind hon. members of what, in effect, Motions Nos. 21 and 22 would do if carried by the House as a suitable amendment to Bill C-48. The reason I say this is that I think often in debate in this House we get away from actually dealing with the motion before us.

If I may take a few minutes I would like to refer hon. members to Clause 27 of Bill C-48. This clause actually deals with what is called the Crown's share as anticipated by the government in what it calls the Canada lands. As the Minister of Energy, Mines and Resources (Mr. Lalonde) has pointed out, Canada lands occupy approximately 40 per cent of the entire territory generally known as Canada, including offshore east coast, offshore west coast, the lands in the territories, the waters in areas such as the Hudson Bay and, of course, the Arctic and Beaufort Sea. It is a huge area. As we know, it is an area that is, in terms of the world's potential for oil and gas, if you like, one of the most attractive. There may be literally billions of barrels of oil and the equivalent of gas to be found in this area. The debate taking place today, especially as it relates to the Crown's share in those lands, is extremely important.

It is for this reason that I would first of all like to remind hon. members of the tremendous contrast between the effect of Motion No. 21, which is the motion of my colleague the hon. member for Etobicoke Centre (Mr. Wilson), and the bill itself. That hon. member, in effect, is saying that rather than have the federal government or the bureaucracy stepping in and arbitrarily taking 25 per cent of the Canada lands interests which a Canadian company—and I emphasize that—or a partly Canadian-owned company and partly foreign-owned company, or for that matter a foreign company, owns in these Canada lands, it would be better to change the measure to ensure that the only time the Crown can come in with a grab is when 50 per cent of the entire oil or gas play is not owned by Canadians.

In short, let me put three propositions. The first proposition would be when you had an entirely Canadian-owned company with not a share being owned by a foreigner. Let us assume, for example, that one of our pension funds owns the shares of the company. As the Crown proposes this clause, the clause which my colleague for Etobicoke Centre would like to amend, the Crown wants to grab a 25 per cent interest away from those Canadians. The Crown is, in effect, saying that, irrespective of the fact that the company is already 100 per cent Canadian owned, the bureaucracy, the federal treasury, wants to lift that 25 per cent interest out of the pockets of those pensioners whose funds hold the shares of that Canadian company. That is the one extreme.

The second proposition is when you have a company, let us say, such as Imperial Oil. Imperial Oil at the present time is approximately 70 per cent owned by its parent in the United States and almost 30 per cent Canadian owned. In that case, the government is saying that if Imperial Oil or Esso have certain interests in the Beaufort Sea or off the east coast, or on any of these Canada lands, it feels entitled to grab 25 per cent of what these companies have.

• (1220)

What my colleague from Etobicoke Centre is saying is that it is unfair. It is a retroactive grab. It is a grab that is not only unfair to the Canadian companies, as I hope members will agree, it is also unfair to companies such as Exxon which came to this country in good faith and developed those reserves, showed the potential that is there, only to find that 25 per cent of its interest is taken away without compensation. What my colleague is suggesting in Motion No. 21 is that it would be preferable for the Crown to simply say, in that case which I have cited, that it will take up to a 20 per cent interest, say, in what Imperial owns on the assumption that it is not willing to give up part of that 70 per cent block in Imperial Oil that it presently owns.

I suggest that if hon. members review what I am saying they will agree that is a fairer approach; it is more positive. In effect, it says to those who are now foreign concerns that we acknowledge they have brought these reserves into reality. They have demonstrated the potential of these reserves. These reserves are their assets but we are not going to steal those assets from them unless they fail to Canadianize to the extent of 51 per cent or more. If a company fails to make itself 50 per cent Canadian owned, we feel the Crown should be able to take over an interest which would be equal to whatever its deficiency is.

For example, in the case which I have cited, it would be a matter of saying to Imperial Oil that if it wants to retain that 70 per cent ownership, the Crown would be entitled to take up to 20 per cent of what it has. In turn, that will ensure that at least 50 per cent of the play is in Canada.

The other extreme, of course, is 100 per cent foreign ownership. If this company is 100 per cent foreign owned, it should be given the option to make itself 51 per cent Canadian owned, or if it does not wish to do that, it may be subject to a 25 per cent, or in our example even a 50 per cent, interest by the Crown itself. That is our party's position and I think it is a reasonable one. It is a position that is understandable and it is pro-Canadian as opposed to being anti-foreign. I believe this is a system which international investors would acknowledge as being not only equitable but fair. It is fair in the sense that these companies are not being confiscated without being given any option.

Mr. Waddell: No grants, then?

Mr. Stevens: Let me turn now to the other extreme, which is Motion No. 22. In this motion you have the other end of the socialist alliance that is now governing this country. The party that pretends to be the Liberal Party is really the governing party in the name of socialism in Canada. The party which is

led by the vice-president of Socialist International, the New Democratic Party—

Mr. Waddell: It is a great organization.

Mr. Stevens: —is not only the rump, but as my colleague across the aisle from me often says, it is the red rump to the Trudeau government. It is the wing of the alliance that breaks the ground for the socialistic government it supports so ardently. I suggest Motion No. 22 is an example of breaking new ground. The 25 per cent heist, if you like, that the Prime Minister (Mr. Trudeau), the Minister of Energy, Mines and Resources and the government is proposing is not enough for the NDP. They would like to see the government grab 50 per cent. Why should it stop at 25 per cent? Is that not typical of the socialists?

I suggest socialism is nothing less than the most selfish creed that has ever been brought into the public domain in history.

Mr. Waddell: It is for the good of the people.

Mr. Stevens: The energy critic for the New Democratic Party, which is led by the vice-president of Socialist International, has said they do it for the people. What they do not clarify, Mr. Speaker, is that that may be the way they try to sell socialism to the unsuspecting public. But the truth is it is their own selfish interests that they are selling. Of course, that interest is raw, naked power in the name of the people. In fact, it is the socialist dream to have more intervention and more bureaucratic friends obtaining juicy jobs from the blood, sweat and tears of Canadians.

Mr. Waddell: Do you want a loan for your bank?

Mr. Stevens: I believe we have before us in this bill a situation in which the government is proposing to steal property retroactively. It is nothing more than stealing. It is stealing property that has been won under the rules and regulations which the government saw fit to set for those who wished to participate in our oil and gas exploration and development. It is property that is owned by these concerns and is now proposed to be stolen retroactively by the government.

Some members of the government say they are now willing to give compensation for what it steals. I would refer the hon. members to the proceedings of the Standing Committee on National Resources and Public Works, issue No. 49 for Thursday, May 14, 1981, wherein the Minister of Energy, Mines and Resources said with respect to this question of compensation:

> The government then is fully satisfied that, as a balanced whole, the regime proposed in Bill C-48 is in every sense equitable.

Once a socialist says something like this, we know in his heart he realizes that it is not equitable. That is exactly what the minister goes on to explain. Having said it is equitable, he then says:

> Nevertheless, to dispel any contrary concerns and arguments which may remain on the part of those who have been critical of the 25 per cent Crown interest provision, we intend to provide reimbursement of actual exploration costs already incurred.
>
> In this spirit of compromise then, we shall introduce amendments to provide for *ex gratia* payments in respect of 25 per cent of the geological, geophysical and drilling expenditures made up to December 31, 1980, in respect of any oil or gas discovery that results from a well spudded prior to that date and which qualifies to be declared a significant discovery prior to December 31, 1982. The qualifying expenditures will be determined on the same basis as those eligible for inclusion in the calculation set out for the progressive incremental royalty in Bill C-48.
>
> These payments will be made out of the Crown share of production.

● (1230)

I notice that startles you, Mr. Speaker, because that is the ringer. The government is not going to pay the money upon seizure. It is going to say that if, as and when it gets something out of what it has taken, it will then give some of it back. The government says these payments will be made out of the Crown's share of production, that to reflect the value in time of qualifying expenditures, they will be escalated at the rate of 15 per cent a year up to December 31, 1980, and the government shall then pay 250 per cent of this escalated value of eligible expenditures as a first claim on the commercial production attributable to the 25 per cent Crown share. In short, what we have here is a partial payment being offered to those who will lose, say, 25 per cent of what they now own on Canada lands.

I emphasize once again that this may be conjured up by the government in the public sense as something that affects only foreign concerns. That is not true. Let us consider my example of a pension fund which has chosen—and some of them have—to invest in the oil and gas potential on our Canada lands. They will lose 25 per cent of workers' money invested to try to identify and bring resources into production, hopefully in some later year.

It is like some government official taking 25 per cent of the Canada Savings Bond a person has just bought. Let us say a person bought a $1,000 bond. What the government is doing is taking $250 of that. The person involved might say, "That is theft; I just bought it; how can you take it from me?" The government would say that the Parliament of Canada empowered it to do so. Then, feeling its neck a little the government would say, "Well, maybe we should give you something back". What does it do? It says that to the extent there are coupons payable to the government on the $250 it stole, the government will clip those coupons and give the person perhaps 5 per cent of what the government had already taken, without any compensation whatsoever. That is what the government is proposing.

Our socialist New Democratic Party friends support the Trudeau socialist version of their creed in this House, but they get all warmed up and say, "Let's even take 50 per cent of that bond; let's take $500 and not just $250 of the poor soul's bond". I would like them to explain to some of their union friends how the workers in various companies whose pension funds are at stake in what I am referring to would feel if they were properly told by the socialists of this House that the stealing proposed would also include the very pension funds

many of those workers are counting on in years to come for their retirement. That is what these fellows are up to.

I am a little surprised that he did it, but I suppose our Prime Minister is always full of surprises; he went to Toronto, of all places, the other day and at a fund raising dinner told some of the faithful who were able to show their faces at that meeting that basically their creed was to take from the rich and give to the poor, a Robin Hood type of approach. However, what he did not explain is that, in true socialistic fashion, it is not just taking from the rich and giving to the poor; it is always less 10 per cent for our bureaucratic friends. That is what is going on here. It is stealing from one section of society, in many cases producers—they are the ones producing wealth, identifying reserves and bringing oil and gas into production—and saying, "We want to pass it through our bureaucracy so that some of our fat cats can get a little fatter living off what we have stolen from other people".

I think we should not lose sight of what is the bottom line of what the government is doing. At one time we had one of the healthiest oil and gas industries in the world. Oddly enough, that was one of the few sectors of our economy that was healthy. Through retroactive grabs such as the one we are now dealing with in these two motions, this government has so startled not just foreign investors—because that is the way the government tries to sell this—but also our own oil and gas investors that we find today 10,000 wells being drilled in the United States in which Canadians are participating, compared with 5,000 wells being drilled in this country. In other words, our activity and our know-how is being devoted twice as much to bringing oil and gas into production in the United States as in Canada.

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

Mr. Waddell: Mr. Speaker, I rise on a point of order. The other day I raised on a point of order a request that the Chair consider dividing Motions Nos. 21 and 22. That is recorded in the *Hansard* of a few days ago. The Speaker has ruled that Motions Nos. 21 and 22 can be debated together, which obviously is happening and quite properly. It is quite a proper ruling. The Chair also ruled that if Motion No. 21 were voted upon and it failed, that would cause Motion No. 22 to fail as well. I submit it is quite obvious, after the speech of the hon. member for York-Peel (Mr. Stevens), that there is quite a difference between Motions Nos. 21 and 22. Whatever can be said of the speech of the hon. member—a very moderate speech—he certainly outlined the difference between the two motions. It is there to see.

What I am asking is not so much that Your Honour make a ruling right now, unless you are prepared to do that, but that the Chair at some point consider my submissions and make a ruling as to whether it is prepared to accept a change in the voting so that Motions Nos. 21 and 22 can be voted upon separately. I venture to suggest that there probably would be agreement on all sides of the House.

Mr. Stevens: Mr. Speaker, I rise on my colleague's point of order. I can well understand his embarrassment. He does not like to see these two motions brought together so that we can debate and contrast the thrust of what he is proposing with the pro-Canadian motion we are proposing. I think the hon. member has now realized the stark reality as to how absolutely naked he stands before this House in what he is suggesting. He now suggests that he would prefer to have our motion dealt with separately so that people can speak only about the nature of what we are proposing and at a later date hon. members can speak about his Motion No. 22 and vote separately on them. It is patently obvious that the hon. member is embarrassed about the grab he is proposing.

Mr. Waddell: No. Mr. Speaker, on the point of order, may I reply to that?

The Acting Speaker (Mr. Ethier): Perhaps the interpretation of the Chair might clarify the point. The hon. member for Vancouver-Kingsway (Mr. Waddell) has raised a point of order concerning voting procedure. I stated on October 21 that Motions Nos. 21 and 22 would be grouped for debate, with a vote on Motion No. 21 disposing of Motion No. 22. As a result of the hon. member's presentation I am now convinced that the House should vote on Motions Nos. 21 and 22 separately, with the question being put first on Motion No. 21. Motion No. 21 would amend several lines of Clause 27, and Motion No. 22 would amend one of the later lines of the same clause.

● (1240)

For the benefit of hon. members, I refer to Citation 772(2) of Beauschesne's fifth edition which reads as follows:

> Amendments should be proposed in the order of the lines of a clause. If the latter part of a clause is amended, it is not competent for a member to move to amend an earlier or antecedent part of the same clause. If an amendment to the latter part of a clause is negatived or withdrawn, it is competent to propose one to an earlier part.

Therefore, an affirmative vote on Motion No. 21 will dispose of Motion No. 22. A negative vote on Motion No. 21 will necessitate the question being put on Motion No. 22.

Mr. Rose: On that same point of order—

The Acting Speaker (Mr. Ethier): Order, please. It is usual after the Speaker has made a ruling for an hon. member to ask only for clarification.

Mr. Rose: Mr. Speaker, I wish to clarify the fact that my colleague for Vancouver-Kingsway (Mr. Waddell) was attempting to have the votes on Nos. 21 and 22 separated. In no way was he urging that the separation occur for the debate, as was suggested by my colleague, the hon. member for York-Peel (Mr. Stevens).

The Acting Speaker (Mr. Ethier): That was settled when the ruling was made.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I would first like to say that the speech by the hon. member for York-Peel (Mr. Stevens) indicates the deep con-

cern that he, members of this House and people across this country have as a result of the government's proposed national energy policy. The policy creates more questions than it answers. In fact, I do not know what it answers. For a good many Canadians it will mean a much higher oil and gas bill with only negative results with regard to the objective all Canadians hoped for, energy self-sufficiency by 1990.

I speak as a maritime Member of Parliament. I wish to indicate a concern about my area of Canada. It is similar to that so ably expressed by the hon. member for Red Deer (Mr. Towers) about his part of Canada. What the hon. member for Carleton-Charlotte (Mr. McCain) expressed in this House yesterday about our part of Canada is also true for me.

It is absolutely essential that we strive to reach energy self-sufficiency by 1990 so that prospective developments can occur in Atlantic Canada. When we talk about the national energy policy and this bill which conceives it, we must realize that there can be no national energy policy until the federal government arrives at some type of positive agreement with the provinces of Nova Scotia and Newfoundland.

This bill will make it more difficult for Nova Scotia and Newfoundland to develop obvious energy possibilities off their coasts. I refer specifically to the Sable Island development off Nova Scotia, the Hibernia and other finds off the coast of Newfoundland. Before we can talk about any type of national energy policy, we must know that an arrangement has been made between the federal government and the governments of Nova Scotia and Newfoundland in relation to what will happen to those potential oil and gas developments.

We do not see anything positive happening. In his speech, the hon. member for Red Deer pointed out that the current casualty report shows that over 131 drilling rigs will leave this country this year, leaving behind 471 to do the type of drilling that is required if we are to hope for anything like energy self-sufficiency. Also, the development of the lands of western Canada, the Northwest Territories and the Yukon must be considered if we are to realize the energy self-sufficiency for which we all strive.

If Canada were a socialist country, and God knows no one would ever want that, there might be some possibility of this policy working. The government would have total control over the economy as is the case in Russia and Poland, if that is any recommendation these days. In this country the engine that drives the economy is the free enterprise system. It is only by working within that system that we can hope to achieve the elusive goal of energy self-sufficiency.

The approach of the Clark government was to harness the free enterprise system in such a way as to provide incentives to the oil and gas industry to develop our potential resources. The approach of the Clark government with regard to the east coast of Canada, the continental shelf, was to regard it as an extension of the resource development of the provinces where there was potential for oil and gas. If that had been followed through, the free enterprisers of Canada would now be moving into the energy sector in an attempt to find the resources that are there. Rather than clarify the situation that exists, we have created complicated oil and gas regulations.

The government has said to those involved in the energy sector of this country: "We are an island unto ourselves." The reply to that has been: "We will go elsewhere to do our business in order that we can make a profit." The profit motive continues to be the driving force behind the free enterprise system. It is that force which keeps business here or sends it elsewhere. Today it is going elsewhere.

The reason there is absolutely no hope of ever attaining energy self-sufficiency in this country by 1990 is because of what this government is doing to Canadians in the oil and gas industry, not to the bogey-man or the multinationals, but to the individual Canadian who is the backbone of the oil and gas industry in Canada. What we are saying to him is: "You will have to make a decision to leave your country if you want to make any profit. If you stay here, we can almost guarantee that you will have to close your doors or go bankrupt if this policy goes into effect." That is what we are saying with this kind of legislation.

• (1250)

Some of the people involved in the oil and gas industry of Canada came down here to try and talk with politicians. They were not big fellows; they were not multimillionaires. They were fellows with trailer-truck operations and things like that. They were people who are necessary for the oil industry to remain healthy. They told me: "Unless this government does something that is positive, that reflects the free enterprise spirit that has built the oil industry in western Canada, we are finished; we will have to go to the United States or somewhere else."

That is not the kind of decision which means they can pick up their things and go to the United States today, returning in six months from now when the government realizes what it is doing to the industry and then trying to put their operation back together again. For instance, when 131 drilling rigs leave this country, do not expect them to come back next week or next month unless we change the legislation that is now before us. There is no way. Their commitment has to be for five years. No matter what we do with his package next week, next month or next year, once that decision to leave has been made, they are gone. We are then in deep trouble, as we are right now, and it is obvious.

I go back to the general election of February, 1980, to the period between December and January. I think of the debates that took place at that time, and I recall the Prime Minister (Mr. Trudeau), who was then leader of the opposition, telling Canadians what a terrible thing the Clark budget would do to them. Mr. Speaker, if only they were given the opportunity today of returning to the Clark budget they would elect every member of the Progressive Conservative Party that supported that budget. There are no two ways about that. It was the best deal Canadians were ever offered. Unfortunately, Canadians were so mesmerized by the false advertising, the big lie, that they believed that they were going to be ripped off. The rip-off

started as soon as this government was elected and it continues. It is happening now, it will be happening tomorrow, it will be happening the next day. At the time of that election, it cost me and every other Canadian something like $18 to fill the gas tank of their car. It costs $28 today. By the time this government sees the people of Canada again, it will cost something like $75 to fill that same gas tank.

I go back to the people I really feel sorry for, people who will not drive their cars and who will turn to alternate forms of energy, if the Minister of Transport does not destroy all other forms of transportation. He is certainly taking rail transportation away from most Canadians as an energy efficient alternative to highway transport. But what will happen to the poor individual who has to heat his or her home? With the Clark government, there was built-in protection for those people as far as heating oil is concerned.

With this policy, this government will see a great many individual Canadians freeze in the dark. There will be no alternative for them but to freeze in the dark when you look at the escalation of heating costs already. We are not Florida. Regardless where people in this country live, they have to heat their homes nine months of the year. At this moment in time, most Canadians depend upon oil to do that heating. As far as heating oil prices are concerned, it is a terrible atrocity that has been afflicted on individual Canadians. There is no concern shown them. There is no built-in protection for the individual Canadian, especially for the one that requires assistance the most. I am not talking about the person on welfare. I am talking about the person who is not on welfare and who lives a lifetime saving, with none of our system geared to assist him, the Canadian who tries to maintain himself in dignity on a fixed income, but who discovers what a terrible atrocity is being visited upon him and others like him by this government with its so-called national energy policy.

I feel sorry for them because there is no chance at the moment for them to get back at this government and to teach them, as they can with their vote at the ballot box, what the electorate do to people who promote and propagate the big lie. Unfortunately, they will have to suffer. As members of this House, we should do everything we possibly can to assist them and to give them whatever protection is possible.

I say to my colleagues here, regardless of party, that if this institution is going to be responsible to individual Canadians, we will have to show them that we are concerned about the terrible commitment that this government is trying to make in its special deal against them. We have to see to it that this matter is rectified. We have to see that at least that part of the Crosbie budget that provided the individual, low-income Canadian with some special protection with regard to home heating fuel is put in place.

Prince Edward Island is totally dependent upon oil for the production of energy for all the people who live there. We have to provide some cushioning against these escalating increases of oil costs similar to what the Clark government again was negotiating with the Atlantic provinces. This is to protect a province like Prince Edward Island that is totally dependent upon oil for its energy production, especially for its electricity. Nova Scotia is converting its energy use from oil to coal just as fast as it can produce new coal mines.

The Acting Speaker (Mr. Blaker): Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order, please. When the House rose at one o'clock the hon. member for Cumberland-Colchester (Mr. Coates) had the floor. The hon. member for Assiniboia (Mr. Gustafson).

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to rise in my place to speak to the important matter before the House relating to energy and the Canada lands. I want particularly to speak about the back-in provisions in Bill C-48 which the government is trying to impose upon the industry and the people of Canada.

I have been a member of the Standing Committee on National Resources and Public Works for two years. I have followed very closely the direction of the government, particularly in regard to its energy policy. I must say with a great deal of disgust that I have seen a decline of the industry. There are oil wells in the constituency of Assiniboia, most of which are low production wells. I have seen a decline of that industry from a once buoyant industry to a situation where it is flat on its back.

One might ask whether this will change with the new energy agreement. I wish I could say that I am very optimistic about the future outcome but I cannot. If we look at the broad facts before us in the entire energy policy of the government and the proposals in Bill C-48, we find that the outcome is very simple. When we were defeated two years ago the situation in energy was that the consumer was paying approximately $1 per gallon for gasoline. I am using my own constituency as an example; I am sure it varies in different areas of Canada. Today the consumer in my constituency is paying $1.84. The increase in the price of gasoline under the energy policy is 84 cents at Estevan, Saskatchewan. When I fill up my car at the pump it costs me approximately $32.

Mr. Waddell: Get a Honda or a Volkswagen.

Mr. Gustafson: If the hon. member in the NDP would listen he would learn. The two levels of government receive $20 out of a $32 tank of gasoline; that is, the Saskatchewan government and the federal government. I am paying $12 for the gasoline in my tank. Under the guidelines, the new agreement, and the $16 billion projected program, over the next four years the provincial government of Saskatchewan will receive $5.1 billion, the federal government will receive close to $4 billion,

and the industry will receive approximately 37 per cent. As I say, the industry is flat on its back. People are out of work. People from the Estevan-Weyburn-Radville area are driving down to Williston, North Dakota, to work in the industry there. How can we expect, even under this new agreement, the industry to rebuild? I want to tell Canadians that the consumer has accepted the tax load of paying for the debts of 12 years of Liberal government in the country. This tax load is too great. It will kill the goose that lays the golden egg. We cannot impose such a tax load upon an industry without breaking it.

What is happening in the Canada lands? I can give example after example of what is happening in my own area. People are out of work, but 220 oil rigs were exported to the United States of America in the name of Canadianization. Who were we Canadianizing? I talked with people working in the Williston oil basin, people working in Austin, Texas, as well as Canadian boys and girls from Calgary, Edmonton, Regina, Estevan and Weyburn with expertise in this field. The finest fleet of drilling rigs in the world has been exported to the United States. We lost 220 oil rigs, approximately 100 service rigs and 1,000 truck loads of equipment in a 24-hour period through the port of entry just south of Estevan. They were exported to the U.S.A.

• (1410)

We in the Conservative party are all in favour of Canadianization. We believe in that principle. However, in the mad rush on the part of the NDP and the Liberal coalition to nationalize the oil industry, which has been going on in this House for the last two years—

An hon. Member: Bill Davis.

Mr. Gustafson: I see one of the hon. members of the NDP looking over here.

Mr. Waddell: Why am I sitting here then?

Mr. Gustafson: A situation has been visited upon the people and consumers of Canada which is absolutely unbeneficial to the economics of the country. What has this attack brought? First of all, it has been an attack against the industry, and I covered that to some extent. At this point we do not have a policy in place which will turn this around. I would like to say that I was optimistic about what I saw, as I am an optimistic person and I would like to see that happen. But it is not there. In commenting on this area, one of the major oil companies stated it believes we will lose another 100 oil rigs before this situation levels out.

I think it is important that we draw the attention of the Minister of Energy, Mines and Resources (Mr. Lalonde), the people of Canada and this House to the very critical situation which lies before the people of Canada resulting from the national energy policy. There is an attack against the industry, but there is also an attack against the consumer. I mentioned this a little earlier. What were people paying and what are they paying now? There has been an increase of almost 100 per cent.

Do hon. members remember the 18-cent excise tax and what a joke it was going to be, what a terrible thing the Conservatives were forcing upon the people of Canada?

Mr. Baker (Nepean-Carleton): How could I forget?

Mr. Gustafson: Now they are looking at 84 cents. It is a shame, and there is no change in direction. I suggest that it is a direct attack against the economics of Canada. It is not enough that we have problems with high interest rates? We have problems in the area of agriculture and practically every other area. In my riding there has been a good example of what this government has done concerning VIA Rail. The Prime Minister (Mr. Trudeau) came to Fillmore, Saskatchewan and announced, as an election promise, that he was going to double track from Winnipeg to Vancouver. He did it, all right; he took the train off the track.

Mr. Baker (Nepean-Carleton): Oh, hear that, Jean-Luc?

Mr. Gustafson: There was a complete change in direction of policy and promise. The same thing has happened with the energy policy.

I said earlier that we certainly agree with Canadianization. But do not drive Canadians out of Canada. If one examines the investments of small Canadian companies, one will find that the greatest percentage are investing more than 70 per cent of their investment money in the United States of America. They are drilling for oil there, not in Canada. That is the kind of Canadianization program this government has put into position.

Mr. Waddell: They have invested in the big Bermuda.

Mr. Gustafson: I want to suggest that this program is not working. The hon. member who just spoke up was very active in the Berger hearings. He will also do something for the people of western Canada that they will not soon forget. They will remember they could have had a pipeline that was pumping oil from the north into western Canada; now we might have to use icebreakers to clear a passage for oil, bringing it around a very expensive route. I hope he remembers that in about three years.

Mr. Waddell: That will be the end of the ten-year moratorium.

Mr. Gustafson: This energy policy and Bill C-48 will not work. What about the back-in provision? Confiscation without compensation is exactly what we are talking about in the back-in provision. Companies which would otherwise invest in Canada are losing confidence in this fair country of ours. If we are to turn this direction around, we must restore confidence in the investment community in this country.

Quite frankly, I do not believe that this government has the will or the intention to do that. This government is bent on nationalizing the oil industry at the expense of the consumer of Canada, at the cost of the industry, and we, the taxpayers, are paying a big price.

What about the taxpayer? Is it fair that the government should take a $30 tank of gasoline and state that it will take $20 in taxes from that $30 tank of gasoline? We know that the cost of energy around the world is high. The Prime Minister is continually saying that and drawing comparisons. However, I want to tell hon. members that a $30 tank of gas should really cost only $10. That is the cost of the actual gasoline. The rest is tax. The $20 is going to the treasury departments of the two governments to pay for 12 years of inept spending by the government in this House. In the next four years, this tax will generate $52 billion for the government.

It is not, should I say, a popular move to stand in the House and defend a big oil company or any oil company. At the same time, the government will blame the oil companies for charging the people of Canada such an exorbitant price for gasoline when, really, two thirds of the cost of that gasoline is going to the government.

Mr. Baker (Nepean-Carleton): I think he has a point.

Mr. Gustafson: It is time these figures were made public to the people of Canada, that the people understood exactly what is happening and what it is they are paying for when they are filling the tanks of their cars with gasoline.

Some hon. Members: Hear, hear!

Mr. Gustafson: It will be interesting to see just how the industry will take up the challenge. And a challenge it is, because the industry is faced with competition. I know many people who have companies in the Estevan area. They have crews of men working in the service and supply industry in our area. They have been forced to seek work in Williston and across the line. In numbers, they daily commute from that area in half-ton trucks, doing business on the other side of the line.

There are 22 million people in Canada. We have a country which is rich in natural resources. Surely to goodness, we must have the will, the common sense and the businesslike approach which will take into consideration production and productivity. We should say to the people of Canada that we can now provide enough of our oil to supply our own people. We do not have to go to Mexico, pay exorbitant prices, and then charge the taxpayer and consumer of Canada because of the inept action of the Government of Canada.

I place this bill before Your Honour and say that from witness after witness appearing before the committee one of the main complaints was that this government is not being fair. In the history of this country, the government has never had a 25 per cent back-in provision; in other words, a provision where the profits of another person or company would be confiscated. That is very unfair.

I ask that the government and the minister reconsider this provision, and that the minister change his direction in this area before it is too late for the industry and the consumers and people of Canada.

• (1420)

Mr. Dan Heap (Spadina): Mr. Speaker, I have a brief comment to make in this debate. I hope to make my maiden speech on the budget. I have talked this over with my colleagues in caucus and they have assured me that they will still regard me as a maiden then! However, no one knows when the budget will be brought down. The last word was November 12, but we were not told whether it is November 12, 1981, November 12, 1982, or November 12, 1983.

The last two weeks have been very interesting and in some ways very entertaining. My hon. friends to the extreme right have to be commended. Over the last two weeks they have really done a splendid job. They have carried out an act that I did not think could be sustained like that for two solid weeks. Without even cracking a smile, hon. members have stood in their places, waved their arms, pointed their fingers and almost cried, complaining about socialism. I must say they have done a beautiful job of it. They have talked about blood on Liberals' sleeves and about the Prime Minister (Mr. Trudeau) being a crypto-socialist. They have talked about confiscation and about robbery. To keep all of that going for two weeks without even cracking a smile, they deserve some kind of an actor's award. They have done so well that I might have believed them.

I am a socialist, of course. I might have taken some heart that this bill was socialist and believed them until I looked at some of the provisions in Bill C-48. Among other things I find that we will be giving 93 cents of every dollar to Canadian oil companies to spend on development. Oil companies get the 93 cents whether they find oil or not. If they find oil, however, and only if they find oil, the government takes back 35 cents, comprised of 25 cents in equity and ten cents in royalty. This 93 cents comes from the taxes of bus drivers, women who clean buildings, factory workers and all the other people who cannot dodge income taxes.

My leader asked the Prime Minister in the last few days about people who earn, say, $50,000 or $100,000 who can dodge paying their taxes, but his questions were brushed off. The money for oil exploration comes from people who cannot dodge their taxes, basically the wage or salary earner in Canada, the ordinary working man. Those are the people being taxed to give Canadian oil companies 93 cents of every dollar that they invest. If we are lucky, the country will get back 35 cents out of the 93 cents. If the working people are lucky, they may get some of that money back in education and health care.

These poor, starving oil companies are getting a free gift of only 58 cents out of every dollar spent on projects which will net them unlimited profits as the years go by and oil shortages increase. This is a subsidy oil companies are receiving from the bus drivers and other people who cannot dodge income tax. Hon. members to the right call it socialism. There is a phrase "socialism for the rich". If that is what they mean, what the former leader of our party called the corporate welfare bums, then what they are saying is true. Nevertheless, I must admire my hon. friends for talking about the subject for two weeks,

calling it socialism but never mentioning that they and their friends are the beneficiaries of what they call socialism, at the same time pretending it is a great crime, that it is confiscation. It is a kind of confiscation, but it is not a confiscation of something that oil companies created. They did not create the tundra, nor did they create the Beaufort Sea. One hon. member even admitted that the oil is worthless while it is under the ground and under the sea. But all of a sudden, if the government wants to tax it, we hear their cries of confiscation. It is a kind of confiscation of the hard-earned tax money of the ordinary working people of Canada which will make the rich richer. It is a wonderful act my friends on the right have carried on for the past two weeks.

Mr. Scott Fennell (Ontario): Mr. Speaker, I am delighted to take part in this debate. I have listened to the remarks from the red rump. I have listened to the remarks of the socialists on the left. What they are trying to do is take our freedoms away.

All one has to do is to look at Poland.

Some hon. Members: Oh, oh!

Mr. Fennell: Poland is a prime example. The people there have lost their rights. They have lost their spirits. Socialism has not worked in Poland and it will not work here. My colleagues in the Progressive Conservative Party have expressed the views of the Canadian public. They have expressed the true spirit of Canada. The Liberals and their socialist alliance are expressing the views of the Kremlin and related socialist countries.

Some hon. Members: Oh, oh!

Mr. Waddell: The Kremlin?

Mr. Nielsen: Do not laugh. It could happen here.

Mr. Fennell: Motion No. 21 provides a logical solution to this expropriation act.

I am used to expropriation. The Minister of Transport (Mr. Pepin) knows why I am used to it. The Department of Transport took away 18,000 acres from people and then taxed them for that right. I think the minister could express a view on that. I think the minister knows the government goofed. He was not there, so he can duck out.

We are discussing a geographical area representing 40 per cent of the area of Canada. An area that size cannot be treated lightly. How are we treating the original citizens of this country? Are we looking after those citizens through this bill? We are expropriating their rights. We are taking away the rights of the original citizens. That is serious. Even under the provisions of Motion No. 22 it is not 25 per cent the government wants to take, but 50 per cent. These percentages are being taken away from the aboriginal people of the country. The rights of the few who are left in the territory will be taken away.

Mr. Waddell: Whose rights?

Mr. Fennell: You know whose rights.

Mr. Waddell: Not native rights.

Mr. Fennell: This act does nothing more than give this government the right to expropriate on behalf of another Crown corporation. Like all Crown corporations, it will end up in the red, losing money and wasting the funds on itself rather than spending them for the good of Canadians. This bill does not help Canadian corporations, nor does it help anybody in the country. Even with this 25 per cent donation which the territories are giving to these people, a proper rate of return will not be provided compared to a rate of return which would be provided by the private sector. I would like to know what right the government has to expropriate the property of Canadian-controlled corporations. This is nothing more than a retroactive tax on Canadian citizens.

This bill also affects pension funds. Pension funds are involved in investment in energy in Canada and the amount of investment is large. Admittedly, while pension funds are being built up they are not taxed. They are exempt from tax. This is a hidden 25 per cent tax which will be imposed on pension funds in this country.

• (1430)

I think it is an absolute disgrace that our senior citizens have problems. We will have far greater problems when those born during the time of the last baby boom become senior citizens. Who will have to pay the bills? The bills better be paid by the private sector because the government is running out of money.

I ask this government to reconsider carefully our motion. There should be no expropriation of any corporation that is 51 per cent or more Canadian owned. Nor should there be any expropriation of a foreign corporation which makes an agreement to become Canadianized, that is 51 per cent owned by Canadians, through pension funds or investment by Canadian citizens.

Consider the shareholders in the pension fund of Imperial Oil, for example. Thirty per cent of Imperial Oil is owned by Canadians either through pension funds or money of individual citizens. While that is not a large amount, these people are being taxed through expropriation under Bill C-48. Will this government please consider this motion and look at it in light of what it is doing to Canadian citizens? It is inequitable and unfair.

My colleague the hon. member for York-Peel (Mr. Stevens) stated earlier that if there is only 30 per cent of Imperial Oil that is Canadian owned, then take 20 per cent; but work out some arrangement which will encourage foreign corporations to Canadianize, rather than a method that is blatantly dictatorial. This cannot all be done in one fell swoop; it must be worked through over a period of time.

Free enterprise with foreign capital debt will assist this country to develop our oil. The Canadian government has run out of credit. It has run out of dollars, and its great friend, Dome, has also run out of money. It is now sitting on the edge of the fence praying to God that oil is found in one of the three

or four holes or however many it drilled this summer, in order to relieve some of its financial woes.

What we are not looking at in this bill, and what we have not appreciated in this entire National Energy Program discussion, is the small Canadian producer. We have not considered the service contractors. It is time this government started paying attention to the majority of Canadians, the little guy who makes his living from small business. How will this government hurt these people? Perhaps in one respect it has done them a favour. The government has forced them to go into the United States; it has forced them out of Canada. What is that doing for Canada? It is driving our funds away, driving our money out of this country and creating an imbalance in capital flow. By following this entire National Energy Program, as exemplified by Bill C-48, we are hurting the Canadian citizen.

The climate is entirely wrong in Canada today with this present government's policies. Will the government please change the legislation in order to attract the Canadian entrepreneur who wants to stay in this country, who wants to succeed and to benefit from our great riches? All we are doing is driving this country into what the government calls Canadianization, what I call nationalization or socialism, or, to go one step further, communism, where the state owns everything. This is all being done by degrees. Hon. members can make all the noise they want but they will not change the situation or the dangerous route we are following.

Do you realize, Mr. Speaker that this measure permits the government to commit a criminal act, namely, straight, direct robbery. The citizens who elected this government would go to jail if they followed this practice. This government is above it all. It can do whatever it wants. The government laughs at these people. I hear hon. members laughing at them every day. The Minister of Transport laughs at them because he is taking their transportation away. The Minister of Communications (Mr. Fox) laughs at them. He is taking away their opportunity to listen to good programs from all over the world. Perhaps I should take that back as I understand he is relenting on his original stand.

I have been involved in the private sector all my life. I have done something that many people in this chamber have never done, namely, I have met payrolls. That is difficult to do when you are a small-business man starting up in this country. But there is an opportunity to meet payrolls in this country and there is an opportunity for people like ourselves to create industry here. Why is this government so dedicated to stopping that? Hon. member should just go out and try to raise capital in Canada for a small oil company. First of all, your foreign markets are cut off. Secondly, interest rates are so high we cannot afford to borrow money from the banks.

The government has eliminated opportunity for Canadians, and that is why I am angry. I am damned annoyed at what this government is doing to the citizens of this country. It should be making it easier for them to raise funds wherever they can in order to create labour wherever that is possible. The government should not be destroying incentive for the entrepreneur. I know how damned hard it is to raise money, but today it is impossible for small oil companies to do so.

What is happening? Small oil companies have only one route to follow; they are being taken over by the larger companies, and one reads about that every week in the newspaper. The government is eliminating the little guy. In this country you have to be a multi-multi-millionaire to exist. The little guy does not have a hope. The entrepreneur is prepared to give up something in order to create labour. I believe it is now time for this government to be prepared to give up something in order to create labour and solve some of the problems in Canada.

This bill with this 25 per cent hidden tax removes any real incentive there is left for Canadians to invest in Canada or to raise foreign capital. My recommendation to the people is that as long as there is the hostility in the atmosphere created by this administration, they should not invest in Canada. I have talked to many people over many days about a great deal of things, but one question keeps coming up; why bother investing in Canada with the rate of return that has been created by this government? This government is taking over two thirds of the revenue received from every barrel of oil. It thinks it is going to attain energy self-sufficiency. This government is on its knees praying to God that somebody will hit enough oil in some of these expropriated lands that we will have enough oil to look after us in 1990. I assure you, Mr. Speaker, that it will have to do more than pray, because it takes a lot of money to achieve that. It takes more than prayer to accomplish things in this world; it takes hard work. You have to get your hands dirty and your brow must sweat.

● (1440)

I do not see any point in investing in Canada. I think it is a tragic thing for me to have to stand in this chamber and say that. I think it is tragic that we are at the point where there is such a hostile atmosphere that it is not wise for Canadians to stay here.

The one benefit which will come out of the National Energy Program is that American and foreign banks are flooding into Canada because of our fantastic interest rates. They are all getting charters. I am not against this; I am merely pointing out that this is the only group which will benefit from the National Energy Program. I believe in competition, Mr. Speaker, but the foreign banks will benefit because no Canadians will invest. People who are investing are the ones with depth, going into the company paying a 20 per cent return. But that money is flowing straight out of the country again. They definitely will be beneficiaries. Many of these banks are coming into Canada for that reason alone. Their head offices may be on Bay Street in Toronto, but the administrative offices are in Calgary where the action is.

How long can small companies continue to borrow at these rates and still exist? There is no future for investment in this country. The government should be thinking of trying to attract funds which have gone out of this country back to Canada where they should be invested.

I know the Liberal government will not listen to us on Motion 21. I am fully aware that they will do nothing about it and will just bulldoze it through, as they do everything else. But I plead with them to be considerate. They are imposing a tax on Canadian citizens and on pension funds throughout this country.

I would like to reiterate that the territories we are concerned with are hopeful of becoming provinces one day. This act automatically treats them as have-not provinces. The federal government, which wants to take a quarter of their money away from them, and the socialists to my left who want to take 50 per cent, will be creating have-not provinces. Before this bill is passed we should consider the territories and the poverty they will suffer under this bill even before they become provinces.

I am concerned that this country grow, particularly in the north. If these territories are turned into poverty areas before they are even permitted access to provincial rights, no one will be attracted to that region. This bill will remove their future provincial rights and the rights of the original settlers of that part of the country.

Mr. Waddell: What about the native people?

Mr. Fennell: I was asked about native rights. The majority of people in the north are natives. We have a great responsibility to prevent their rights being taken away. We must also give them something in return.

Mr. Waddell: You want to give it to the oil companies.

Mr. Fennell: I would rather give it to the natives of the north more than anyone. That is my priority. The government is not worried about them.

An hon. Member: What share do they own in Imperial?

Mr. Fennell: Look at the negative effects on the economy of Canada and at the shrinkage in manufacturing resulting from the National Energy Program and Bill C-48. These measures, along with the exorbitant spending of this government over the last 15 years, have resulted in shrinking the manufacturing facilities of this country, as well as the processing and contracting facilities, including housing.

The Minister of Finance (Mr. MacEachen) during the previous election campaign made the statement that if any injury or significant disadvantage is experienced by any group, he would remove the burden in the subsequent budget. I hope he remembers his own words when he considers the next budget. This bill, Mr. Speaker, does nothing more than compound the inflation spiral by siphoning off this money to a Crown corporation which does not give the same benefit to a Canadian citizen. All it does is increase the price of fuel oil, gas and heating oil. Under this bill there are absolutely no benefits received by the citizens of this country.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, this being the ninth anniversary of the election of 1972, I rise with some considerable pleasure to speak to the House. Madam Speaker was one of the class of '72. I understand my friend, the Minister of Transport (Mr. Pepin), went the other way in 1972, and I have the impression that sometimes he wishes it was 1972 again.

Mr. Pepin: Not at all.

Mr. McKinnon: That was the election where we lost by two seats. It could have been one of the best governments we ever had, under Mr. Stanfield.

I would also like to mention that the maiden speech given by the hon. member for Spadina (Mr. Heap) indicates a person is let off scot free during a maiden speech, but only one time. I noticed that he tried to have it and keep it too, but I did enjoy his speech. I very much favour short sermons.

I would like to speak today on Motion No. 21 put forward by our party, and Motion No. 22 put forward by the New Democratic Party. The hon. member from Vancouver-Kingsway (Mr. Waddell) is very quick to claim credit for taking away the Mackenzie Valley pipeline, but he is not so quick to take credit for causing the tankers to show up in the Strait of Juan de Fuca because there is no pipeline through which to send Alaskan oil. However, that is his problem, not ours. The NDP have a lot to say on this issue. They are suffering under the rather serious handicap of having western membership and eastern leadership.

Mr. Waddell: You have the problem. You have western membership and no leadership.

Mr. McKinnon: I can appreciate the extremes to which they go when they have to send missionaries from Etobicoke to run for seats in Vancouver.

I will now discuss Motion No. 21 and the difference it is going to make. This bill represents a rather serious incursion by the government into private industry. It is very serious indeed.

I would like to point out some of the problems we would have by an incursion of the government into not only the marketplace, or industry, but almost every aspect of Canadian life. With respect to investment, it is questionable whether this is really investment and we hope to stop this through Motion 21. It is borrowing the resource and paying for it some other time. I would not go so far as to say that the government is stealing from the industry, as some of my colleagues have stated. But they are taking it without the owner's permission.

I understand the speech of the Prime Minister (Mr. Trudeau) the other day was headlined "Caring and Sharing". The government would rather the industry take care of the resources and the government share them. That is how we came to Bill C-48, so the government could get in on the sharing part. Although the government would like to share in the success, if the company loses money it will turn it back to the industry and give it 100 per cent of the losses.

I might point out some interesting figures which were released mainly by government agencies. The first one I would like to mention is the current gross fixed capital formation in

government investment, and it has gone down steadily since 1960 as a percentage of gross national expenditures. In 1960 it was 4.1 per cent; in 1965, 4.4 per cent; in 1970, 3.7 per cent; in 1975, 3.8 per cent; and in 1980, 2.8 per cent. That is a percentage of gross national expenditure, so that means excluding inflationary figures.

• (1450)

If we were using inflationary figures, we all realize it would be a sum of billions of dollars going steadily upward. However, when we look at that, we can see that government fixed capital formation is not working out any more than government funded research and development is, which is, interestingly enough, in the same schedule issued by the Department of Finance in April, 1981, showing that government funded research and development increased from 0.62 per cent to 0.65 per cent between 1960 and 1965 and since then went down in 1975 to 0.48 per cent and in 1980 to 0.46 per cent. Despite the great claims of various ministers, the research and development program has not been producing. It is getting to be more and more miserly.

What I am putting across is that the funds which are being expended by the government are more and more getting to have less and less to do with the future of the country. They are just current transfers of payments to individuals. They are not hooked to something that is really good for the country, such as investment in plant, in training or in research and development.

Trends in government employment are of some interest and, I believe, illustrate again the point I am making. The percentage of government employment as compared with total employment in 1961 was 22.1 per cent. That figure went steadily up each and every year since then until it is now 24.3 per cent. However, if we look at government wages as a percentage of total wages, we find a rather peculiar situation. In 1961 government wages as a percentage of total wages paid in this country were 19.4 per cent. In 1965 that figure was 19.7 per cent; in 1970, 23.1 per cent; in 1975, 24.3 per cent; in 1976, 24.9 per cent; and in 1977, 25.1 per cent. Hon. members will notice that while there has been very little increase in the number of people employed, there has been quite a substantial increase in the amount of money spent by the government in wages. This indicates simply that the fat cats are getting fatter and fatter as the years go by. I do not think this is really what the government or the people of Canada are looking for. This may be why surveys taken in Ottawa about mortgage problems come up almost blank. This is the fattest of all fat cities. I am glad to see that the hon. member for Ottawa Centre (Mr. Evans) is here to agree with me. I imagine he would. There are very few people in Ottawa who have financial difficulties. There are many people everywhere else who have.

It is clear that the government has tended in the past 20 years to decrease its spending on capital and on research—these are two types of activities which can be viewed as akin to investments—and to increase demand on the economy's available work force. Moreover, the work force which the government is employing has become more expensive, whether because of higher salaries for similar work or through alterations in the type of work performed for government. The change is clearly one away from investment and toward increasing current consumption.

I would like to talk for some time about federalism, the fiscal arrangements we have and energy taxes. After all, is that not what the motion is all about?

There are two events—one is now in process; that is, this event, and the other has just concluded—which are going to alter substantially the fiscal structure of the Canadian confederation. The first of these events was the settlement between Ottawa and the oil producing provinces of their disputes over the production and pricing of oil and gas. The second is the current renegotiation of intergovernmental transfer programs and specifically discussions about the amendments to federal-provincial arrangements and the Established Programs Financing Act. As the recent energy pricing disputes are best understood in the context of fiscal renegotiations, I will talk about them first.

Fiscal renegotiations between levels of government are not normally the cause of great strains within a country. Even less frequently do they penetrate the public consciousness. In Canada, however, they have become, and will be for at least the next five years, a focus of a great deal of the constitutional debate. Please let us not think that the constitutional debate will end Monday, Tuesday or Wednesday. There will be years of debate on the Constitution, no matter what the results are on Monday, Tuesday and Wednesday next. The details of the settlement which will come about after the renegotiation of the fiscal arrangements will affect not just the economic structure of the country, and particularly its tax structure. In addition, the negotiations and the process whereby a resolution is achieved will themselves profoundly affect the politics of this country. In essence the federal government is embarking upon a course which will almost inevitably bring it into serious conflict with a number of provinces. Given the current strains on confederation and the existence of a government in Quebec which wants, at the least, a dramatic restructuring of the country—and, indeed, Quebec was promised that by those occupying the government benches during the recent referendum campaign in Quebec—there is clear potential for a major crisis which will be fought over this issue.

With its very large deficit the federal government faces a serious dilemma. It has very large obligations stemming directly from the regional equalization role it performs as well as from related regional transfers. At the same time the government is unwilling to raise visible taxes to any degree. This is no doubt hampering the Minister of Finance (Mr. MacEachen) a great deal. In several election campaigns the government has built up the expectation that it will never raise taxes. It simply imposes taxes in a way that is invisible. We do not pay a high price for gasoline because gasoline is more expensive; we do so becasue there is a much higher tax component. Every gallon is taxed far more than it was two years ago.

As the federal government views the problem, its crux lies in the fact that Ottawa has responsibility for alleviating regional disparities which have been made more extreme, in large part because of the explosion of the value of the west's resource riches while having relatively little access to the additional revenues generated. In short, the central government wants a drastic rearrangement of fiscal priorities to facilitate the current level of transfers from richer to poorer provinces without bankrupting the federal government, and to ensure that Ottawa's visibility as a provider of services is as great as its visibility as a collector of taxes. This is a problem any government faces. Everybody wants to be Santa Claus, and up until the present time the government has been able to perform that role because of the increases which sprang, for a time, from the inflation which was rampant and has been rampant for the last 12 years in this country. However, for a time it expanded the tax take of the government quite considerably and naturally. Then indexation of taxation took place; this restricted the amount the federal government stood to gain from inflation, and immediately it began to get into fiscal trouble. The federal government had by then developed the idea that it need never raise taxes but could go on spending more and more money. With the indexation of taxation the government was unable to do so. I thought that its only alternative was to go into debt, so it proceeded to do that rather than face the problem honestly and try to move toward having our income and our outflow of funds equalized.

● (1500)

In two months it will be two years since the Crosbie budget did its best to put this country on a sensible economic path. It does not appear possible for the Liberals to do anything except run expenditures up with the taxpayer's dollar. They now have an additional bonanza in the energy agreement which will supply them with some $50 billion in the next few years. The government looks upon this as found money. Suddenly they have inherited this money and now, I expect, they will look for ways to spend it. We would prefer that they pay some attention to the Economic Council of Canada. Perhaps the council's statement in its recent paper on fiscal arrangements should be read into the record at this time. It reads:

> —but the federal deficit problem cannot be solved by transferring the problem to the provinces. Not only do those economic trends indicate inadequacy of such an approach, but also council projections show that the coming decade will require investment at an unprecedented level in Canada, probably as high or higher than the peak periods of investment reached so far this century. This means that all governments will have not only to restrain their spending but also to raise taxes. Only then will they be able to encourage the financing of investment activities of the sort required. Given the difficulties with restraint, the different levels of government will want to shift the burdens of any increase in taxes to each other. The political ramifications of policies calling for increased taxes inevitably lead in this direction. But this exchange of burdens goes nowhere toward solving Canada's economic difficulties.

As these talks begin in the next few weeks, I would strongly recommend to the Minister of Finance that he remember that what one gets away with in one area is simply imposed in another. If they are going to squabble over the tax dollars, they must remember the pot is only a certain size and they have to share it. I have complained about the ever-increasing government intervention in private industry and the problem of increasing labour costs of such intervention.

I would like to conclude with a quote from a famous analyst of bureaucracy, namely, Max Weber. He identified one characteristic of the bureaucracy early in this century in this way:

> Bureaucratization offers above all the optimum possibility for carrying through the principle of specializing administrative functions according to purely objective considerations . . . The "objective" discharge of business primarily means discharge of business according to calculable rules and "without regard for persons."

This has a danger. It is an attractive way to do things. The only problem is that it does not work very well. Nobody is ever to blame. The blame is shared. The bureaucracy assumes it as a whole. Things go on, Ottawa gets bigger and fatter, and the people pay more and more for less and less. I hope this motion will come to a vote fairly soon. I thank the House for its kind attention.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 21. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed, will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

I believe the Chair indicated, following the point or order raised by the hon. member for Vancouver-Kingsway (Mr. Waddell), that a negative vote on Motion No. 21 would require a vote to be put on Motion No. 22. For this reason, the vote on both these motions will be deferred until the time has been agreed upon with the House leaders. The House will now proceed to Motion No. 23.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 23

> That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 28 by striking lines 13 to 17 at page 16 and substituting the following therefor:
>
> "former lease under which significant or commercial discoveries of oil or gas were made on or before October 28, 1980 or in respect of any interest that succeeds that former lease".

Mr. John Thomson (Calgary South): Mr. Speaker, Motion No. 23 deals with the exemption of certain properties under the Canada Lands Act. Where production has occurred prior to December 31, 1980, these lands are to be exempted from the back-in provision. As everyone knows, the only production we have on Canada lands today is Norman Wells and the gas

production at Pointed Mountain. In effect there are two properties.

The position of the Conservative Party is that we do not believe in any form of confiscation. We do not think this back-in is right. What we are proposing in our motion is that at the very least those companies which have gone out in the Canada lands and have made a discovery of oil or gas should be exempted from that back-in provision. After all, they have spent money, gone out and proved up an asset. I think it is fair that anyone who has discovered oil or gas on Canada lands prior to December 31, 1980, should be exempt from this back-in provision. It is confiscation in any form, but it is that much more so in this case if a discovery has been made on the land. That is the intent of Motion No. 23.

When speaking on Bill C-48 the other day, I attempted to describe what self-sufficiency means in Canada, what we are looking at over the next 10 to 20 years, and the formidable job ahead of us if we are to approach even any kind of oil self-sufficiency in Canada. In my previous speech I said that Canada is looking at a shortfall of a million barrels of oil a day. I attempted to describe what an immense job it will be for Canada to try to find a million barrels of oil a day.

There is another aspect of Bill C-48 that I want to address this afternoon. In my view, the impact of Bill C-48 will have a devastating effect on many other aspects of economic life in our country. I am concerned that when we talk about Canadianization, and let us assume it is Canadianization and not nationalization—

Mr. Waddell: On a point of order, Mr. Speaker. I hesitate to interrupt the hon. member. I would not normally do this. However, as I read the amendment before us, it seems to be virtually the same as the Liberal amendment brought in with this bill. After the hon. member has told us about Canadianization, and since I have to reply to him, I wonder whether he could give us some guidance on how he thinks this amendment differs from the Liberal amendment.

Mr. Thomson: If I have any time left at the end of my speech, I will be happy to try to do that.

• (1510)

I should like to return to what I believe to be the broader aspects of Bill C-48 and their impact on Canada. One question we should consider is where we will find the money. Energy self-sufficiency is a nice goal. It sounds nice, it is a nice phrase. But where will we find the money? Not only will we be required to find money to finance one million barrels of new oil production per day, but we will have to find money for a lot of other things in the next 20 to 30 to 50 years in Canada. Do we think we can get it all by ourselves? Can we generate all this cash by ourselves in Canada?

I was interested in a talk given the other day by Mr. Ed Neufeld, the senior vice-president and chief economist of the Royal Bank of Canada. The title of his talk was "Who will Finance Canada's Economic Growth in the 1980s?"

Some hon. Members: Oh, oh!

Mr. Thomson: I am not sure whether hon. gentlemen on my left really care, but the Conservative Party cares about financing Canada's economic growth. It is important to us because it means jobs and incomes for Canadians. Mr. Neufeld said that we would need $1.4 trillion in the next decade to finance our growth. It is beyond my comprehension—$1.4 trillion. This is a staggering sum of money. The Canadian government spends $65 billion a year. What is that in terms of $1.4 trillion? Is it 20 or 200 times that amount?

Mr. Neufeld also said that of this $1.4 trillion, $300 billion will be required in energy and energy-related areas but that huge amounts will also be required in metal mining, pulp and paper, transportation, chemicals, the steel industry, and so on. He went on to say that the rapid development of investment in technology will be the single most important element for achieving Canada's productivity potential. Where will we get $1.4 trillion? I guess much of it depends on the ability of Canadian business to generate its capital requirements. Mr. Neufeld also said that business will have to raise $900 billion of this $1.4 trillion. What does this mean? It means that Canada must have a healthy private sector industry to generate that cash flow.

He went on to indicate that individual Canadians will have to put up $400 billion from their savings in the next 10 years. This means that Canadians should be able to save, to go out and to work. They should have adequate incomes. They cannot be taxed out of existence, or they will not have any money to save and reinvest in their own country.

He went on to say that the government will be required to put up $60 billion. Finally he said that we would need something in the order of $60 billion to $100 billion of foreign investment to achieve our productive potential. We will need foreign investment, and we must recognize this. Business will have to put up $900 billion, so we need a strong entrepreneurial society to go out and create that cash flow. Individual Canadians need an opportunity to invest in Canada. They need the incomes and jobs to create that investment. We need foreign investment capital.

How will we encourage the foreign investment capital we desperately need when the legislation before us this afternoon is put into effect? Has the government thought about that? Does it care? I presume that it does not really care. We will not have any access to foreign capital. We will not get it. People will not invest in Canada. They do not want to invest in a country which will confiscate their assets. Would any hon. member invest in good faith in a country the government of which would come along and steal it?

Mr. Irwin: They will invest anywhere they can make a profit.

Mr. Thomson: I hear the hon. member opposite. He should not kid himself. That is exactly the point—there is no return on the investment.

Mr. Irwin: Then why did they make those profits on Wall Street?

Mr. Thomson: I read a speech which was given the other day by the Canadian ambassador in New York. He said that Americans should understand that our National Energy Program is not discriminatory. "Goodness, no, we would not discriminate against foreign investment," he said. He indicated that Canada has a legitimate right to manage its own affairs. Sure we do, if we do not give a damn about what people think of us. But the fact of the matter is that the legislation discriminates against investments which are made from abroad, and the Canadian government is expropriating assets which do not belong to it. The assets belong to the companies that invested in Canadian land. The government is not only expropriating the assets of foreigners, it is expropriating the assets of Canadian companies which have invested in Canada.

The Canadian ambassador went on to say that the Americans should be tolerant of the course Canada is pursuing through its energy policies. How tolerant would hon. members opposite be if somebody walked into their living rooms and stole their property? Would they be tolerant?

I wonder whether hon. members opposite understand how difficult it is to raise capital. How many of them have gone out to raise capital for a new plant? How many of them have attempted to raise capital for the creation of something worth while? Did the hon. Minister of State for Mines (Mrs. Erola) ever try to raise capital to do anything worth while?

Mr. Taylor: She ran for Parliament.

Mr. Thomson: Did she ever try to raise money to drill an oil well or to purchase a drilling rig? I have been there. I tried to raise capital for 20 years and it was darned difficult. I can remember making many trips to Toronto and Montreal in the 1950s, 1960s and 1970s trying to raise money for oil and gas development, for oil well drilling rigs and to expand the company. Not a dime could I raise because the banks and eastern Canadian investors thought the business was too risky. It is a lot easier to steal it than to go out and make it. The government and hon. members opposite know that. I had to go to Houston and Dallas to raise capital. I could not raise it in Canada, but I could raise it in Houston and Dallas because the people there saw the opportunity which existed in western Canada. It was too risky for Canadians.

The last company for which I worked started from nothing. It started with one rig in Estevan, Saskatchewan. The rig cost $125,000 in 1964. The company started with 15 employees. In a period of 15 years the company managed to survive through some good times and bad. It grew, and it grew on foreign capital. It did not grow on Canadian capital; it grew on foreign capital. The company was sold in 1979 to another Canadian company. At that time, it had become the largest land-based oil well drilling and servicing contractor in North America. It employed over 1,500 people, of whom 1,000 were Canadians. It is U.S. capital that made it possible. It created 1,000 jobs in Canada and 500 jobs in the United States. The company drilled a couple of thousand wells over a period of 15 years and made a positive contribution to the ecomomic wealth of Canada, but it also made a positive contribution to the welfare of 1,000 Canadian workers. Many of those employees owned shares in the company and they took pride in that ownership.

• (1520)

If I were to make a single point with regard to the success of that company, it would be that the employees who owned shares, who owned a piece of that company, took great pride in the achievements and the success of that company. I cannot tell you how many of those employees valued and respected their ownership in that company.

There is a right way and a wrong way to Canadianize Canadian industry. The right way is to allow Canadians and Canadian employees to acquire shares in Canadian companies. The wrong way is for the government to do it for them. How can you create incentive and pride among employees when the government owns the asset? Answer that question. Would you take any personal pride in your home if the government owned it? Would you take any personal pride in your automobile if the government owned it? There is the difference between state ownership and individual ownership.

Hon. members opposite seem to forget that vital point. It is pride that makes people go out and work in this life. It is not a kick-in-the-ass type of philosophy that is exploited by the Liberal government.

Canada needs large amounts of foreign investment in years to come. When we talk about foreign investment, we talk about real jobs for real, live, Canadians. We talk about incomes for Canadian people. Surely that is the direction in which government policy should go.

It seems crazy to me that we should deny Canadians the opportunity to invest in their own country and that we should discourage foreign investment capital that we need in Canada to create a healthy productive economy.

How much capital is required to create one job in Canada? Does anyone know? It varies from industry to industry. I think $100,000 per job is probably a very low estimate.

I see the hon. member for Ottawa-Centre (Mr. Evans) shaking his head and saying that it does not cost $100,000 to create a job in Canada. I have looked at a number of figures and I believe it is a very conservative number. In any event, it is $100,000 a job. How many jobs do we need to create in Canada in the next ten years? One million? I am pointing out to you that the amounts of money that will be required to create the investment for a healthy and productive economy for this country are staggering. We cannot do this all ourselves and fulfil the aspirations of the Canadian people. We will have to rely on foreign investment capital, whether we like it or not. Canada with 23 or 24 million people, cannot live as a nation unto itself. It is beyond our financial resources. What do we do? Do we constrain ourselves and our productive capacity and contrain the aspirations of Canadians? Do we do this because we simply want to go out and raise capital to do something? What is wrong? Tell me, what is the difference between capital from Belgium and capital out of your pocket?

Does it have a different colour to it? Do you pay a different rate of interest on the money?

We have our own federal government that borrows money on foreign markets. It is all right for the federal government to borrow those funds, but it is not all right for the private business to do it. That is bad. I do not understand the logic of that.

We are playing a very dangerous game with our friends in the world in terms of foreign investment. We have not only turned off the United States, but we have turned off the Germans, the Dutch and the British. I have been there and I have listened to them. They do not want to have anything to do with Canada any more. They do not want us. They do not even trade with us. As far as they are concerned, we have failed to live up to our international obligations under the GATT agreement and they will take us to court. That is how they feel about us. I do not care whether the Canadian ambassador says, "Be tolerant and respect our policies," because it will not drill and it will not sell. They are not buying. The Canadian government will not pay the price but individual Canadians will pay it. It is not you. You will not suffer, and I will not suffer. However, individual Canadians will suffer because of this policy. You can bet on it.

It is not as though Canada were the only country in the world that needs capital investment. Do we really believe that we are all that great and that we are the only country in the world that needs capital investment today? Others should consider it a privilege to lend us money to develop our economy. Every country in the world needs capital investment, and lots of it.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Thomson: Every country in the world is trying either to improve the quality of its plants and equipment or to create new plants and equipment.

I want to conclude with this statement. All Canadians will live to regret the foolishness of the legislation before us this afternoon if it passes through the House. Every Canadian will live to regret it—mark my words.

Mr. Waddell: I rise on a point of order, Mr. Speaker. I indicated earlier that I should like to put a question to the hon. member. With the consent of the House and of the hon. member, I wonder if I may be able to put it to him now.

An hon. Member: Go ahead.

Mr. Thomson: My hon. friend, the hon. members for Calgary Centre (Mr. Andre), who is more familiar with this legislation than I am, would perhaps be better able to respond to the hon. member's question. I think he will be speaking very shortly. However, I will try to answer the question, if the hon. member wishes.

Mr. Waddell: Perhaps I can put the question.

Mr. Deputy Speaker: I just want to clarify a matter with regard to time. Normally the mover of a motion would have 40 minutes. The hon. member who spoke was the seconder of the motion. I assume there may be other speakers from his party who would like to speak on this motion. I understand there is unanimous consent of the House to extend his time, if he wishes to do so. I gather it is the mood of the House that he should. In the circumstances, I give the floor to the hon. member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, perhaps the hon. member could answer this question since he knows a lot about this subject, or he may defer answering the question. My question is—

Mr. Deputy Speaker: Order, please. I believe the hon. member for Calgary South (Mr. Thomson) has declined to answer the question and suggests it be put to another spokesman for his party. Perhaps the hon. member for Vancouver-Kingsway might hold his question and another spokesman for the official opposition might—

Mr. Thomson: Mr. Speaker, inasmuch as I have been granted a further 20 minutes, I would be happy to try to answer the question to the best of my ability.

Mr. Waddell: Mr. Speaker, Motion No. 23 deals with Clause 28. The original bill deals with pioneer production. The cutoff date of the previous production, if it was before this bill came into effect, was set at January 1, 1976. Therefore, the Crown share could not come in to any production before January 1, 1976.

● (1530)

The amendment the Conservatives have advanced changes that date, backs off the Crown's share a little, and takes the date to October 28, 1980. Therefore, any pioneer production before October 28, 1980, would be excluded from the Crown share. Then the government, in the amended bill which is before us, backs off even further and goes ahead of the Tories to December 31, 1980. Clause 28 states:

> No Crown share is reserved out of a former lease under which oil or gas was first produced, other than for test purposes, on or before December 31, 1980, or in respect of any interest that succeeds any such former lease.

That is the government's bill. My question is whether the Conservatives are talking about something different, and that may be the explanation; however, at first blush it looks as if their amendment did not even go as far as that of the government.

Before I get a chance to speak, I would like the hon. member, or another spokesman for the Conservatives, to clarify at least what their amendment states. I am just a simple, happy Tom from Vancouver.

Mr. Thomson: I think that I can answer the hon. member's question quickly. The amendment we have put forward deals with discoveries which took place before October 28, 1980, not production. The government's amendment deals only with

production in place. What our amendment states is that if one found oil before October 28, 1980, then the government does not have the right to back in to those properties. The government's amendment says that if one found oil and had any production on stream prior to December 31, 1980, then one would be exempted from the government back-in. As I said at the outset, what that means is that Pointed Mountain and Norman Wells are the only two properties under Canada Lands which were, in fact, on production as of December 31, 1980. Therefore, any other discoveries which have been made, such as Hibernia and the Beaufort Sea, would still qualify as eligible for the back-in under the government amendment.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I will try to be very brief. I do not think we should leave this point without getting a further response. I can see that I have already had a good reaction to my speech when I said I shall be brief. There is some wisdom in this place today.

An hon. Member: All the kids in the country should be crying over you.

Mr. Waddell: I would like to hear from the government on this motion and to hear further explanation from the opposition. Let us deal first with the opposition. I have just been told that discoveries of oil are exempted before December 31, 1980. Does that exempt all of Hibernia? Does that exempt the Beaufort Sea? Does that exempt Dome? Am I led to believe that? I understand it does, it exempts all that.

An hon. Member: It is our amendment, and it does.

Mr. Waddell: It exempts everything in Hibernia. This is the opposition's amendment, the Conservative's amendment.

An hon. Member: Tory.

Mr. Waddell: It exempts everything that Dome may or may not have up in the Beaufort Sea, and everything in Hibernia. It seems to me that that is a pretty big concession to the industry. I have heard of concessions, but this is really doing it.

The hon. member for Spadina (Mr. Heap) said that the taxpayer—the bus driver, the waitress, the cleaner and so on—had to pay 53 cents on every dollar, and that another 25 cents had better be added to that to make it 78 cents, exempting all of the pretty rich discoveries in the Canada lands. I think that if there is anything to show that the Conservative Party has totally gone into bed with the oil industry, this amendment is an example of it.

An hon. Member: Yes, we wanted oil self-sufficiency.

Mr. Waddell: I want to raise a point with respect to the government members who are sitting over there laughing as the Conservative Party refights the election of 1979 and goes right back into its opposition to Petro-Canada and government involvement. I suspect the government members know—that is why they are laughing—they are getting the Conservative Party into an unpopular position in this country.

However, let me deal now with the government before hon. members laugh too heartily on this matter. The fact is that the original date on this bill was January 1, 1976. The government backed down, one of the backdowns on the changes of this bill. The reason I am somewhat bitter—but not as bitter as my friends here from Alberta—is that the government would not back down on environment matters, on native matters or on any consumer matters in this bill, but it backed down in about eight instances, that I put on the record the other day, with respect to the industry and, in one instance, with respect to representations from the government of the United States.

I would like the spokesman from the government to stand up in this debate and tell me why the government moved this cutoff date to December 31, 1980. What it means, in simple language, is that if there is any production before that date, the Crown does not get the 25 per cent share.

I have been informed that one gas field operated by Columbia Gas Development Company of Canada Ltd. benefits. Who has been twisting whose arm? What does Columbia Gas get out of it? What does the Liberal Party get out of exempting Columbia Gas? What is the point of doing this? What is the idea of exempting this one particular field? Someone has a lot of power there. Someone has a little bit of influence, unless, of course, it can be explained away. I invite a government member to stand up and explain it away. However, there is something odd in the government backing off from its original bill, extending the date forward, and exempting the operators in the Columbia Gas Development from the 25 per cent Crown share.

It is a nice windfall for the company in this area. There might be an explanation, but it sure looks and feels a little bit smelly. Therefore, I would ask the government to reply indicating why it has exempted this particular field, and why it has brought in this change to the bill from its original version when it came down to the committee.

Mr. Deputy Speaker: Is the House ready for the question?

Mr. MacLaren: Mr. Speaker, I believe the hon. member opposite was seeking some information, and I will gladly attempt to respond briefly. The hon. member may recall that in committee, the January 1, 1976, cutoff date for pioneer production evoked some discussion. Pioneer production, of course, means the production for which oil and gas rights will remain in force according to their existing terms and conditions even after the passage of this bill. The date in the original draft of the bill came from a statement on policy made on May 19, 1976, by the then minister of energy, mines and resources on proposed new oil and gas legislation for the frontier regions.

Some hon. members of the House may recall that this legislation was given first reading on December 20, 1977, as Bill C-20. Obviously, a lot of water, or some fluid in any event,

has gone under the bridge since then. It is hardly surprising that we heard in committee a persuasive argument on this point from Columbia Gas Development with respect to the Kotaneelee gas field in the southeast corner of the Yukon Territory. We agreed that the cutoff date should reflect events that have occurred since Bill C-20 was proposed. Accordingly, we changed the cutoff date in our amendment for the determination of pioneer production to December 31, 1980. The Kotaneelee field would thus be added to the pioneer production category which I defined earlier.

● (1540)

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am moved to enter the debate by the remarks made by my colleague, the hon. member for Calgary South (Mr. Thomson), who has spoken the most feelingly and sensibly of any member thus far. His speech is one which should commend itself to all Canadians. The hon. member for Calgary South has made a significant contribution to Canadian business, albeit business in western Canada, but important business indeed to the country.

The energy industry is important. As we look ahead, we can see that we have precious few growth industries in our nation. There is a dearth of our growth industries. It seems to me there are only two in the private sector in any event. One is in the energy and resource development field, and the other is in the high technology field in eastern Canada. It seems to me that we ought to pay very close attention to members of the House and to people who are not members of the House who are making comments now on the government's approach to Canadianization and its effect on those industries, particularly the energy industry.

Knowledgeable people in Canada are saying there is nothing wrong with the concept and principle of Canadianization. I do not think there is a member in the House of Commons, looking at the principle of Canadianization and moving toward a period when Canadians will have a larger and larger slice of the ownership, however it is defined in the industries and businesses of the country, who thinks of Canadianization as a bad thing. Speaking for my own party, that has always been our position. As an hon. member said earlier, Canadian ownership is important.

The history of the country is interesting. The Liberal Party, especially the post-war Liberal Party, was very much a continentalist party. It is its conversion to Canadianization that is relatively recent.

Mr. Rose: That is right.

Mr. Baker (Nepean-Carleton): Perhaps based on some polls Mr. Goldfarb may have taken showing that Canadians are suddenly interested, the Liberal Party has made an about turn. I do not say this unkindly in terms of my friends who are in the chamber today, but I do say it is important from the point of view of the country. If we are to move to Canadianization, both the pace of that movement and the way in which it is made could have a significant and profound effect on the wellbeing of Canada.

A great many western Canadian members have taken part in this debate. Some say that the development of high technology in eastern Canada is the business only of eastern Canadians and that somehow or other the development of the resources in western Canada is the business only of western Canadians. Both of these statements are, of course, untrue. We are intertwined in this country by every advance and every backward step that is taken in developing any part of Canada. If a backward step is taken in the forest industry in British Columbia, it ripples across the nation. If an advance is made in the resource industries in western Canada, we are all affected by it. All Canadians have a vital interest in the continued and growing vitality of the nation.

From time to time we tend to think of these debates in regional terms. They have a direct impact on the regions affected, but ripples cut across boundaries, waves wash over boundaries, and it does not matter.

If a step is taken by any government advancing any good principle—and Canadianization is a good principle—people from every part of Canada are involved. However, if a step is taken that has a deleterious effect on one of our major industries, particularly one in which there is some capability for growth, then people from every part of Canada have to become concerned. Therefore, I think it is relevant to the people in my constituency and in my part of Canada, just as it is relevant to my friends in the province of Quebec, to be very much concerned, just as an increasing number of knowledgeable economic writers and commentators are concerned about the effect of the National Energy Program on the resource industry in western Canada.

This is not a concern reflected just in partisan terms about government policy toward the development of business in Canada. The same concern was reflected the other day in a statement made by Mr. Thomas Kierans who is the retiring chairman of the Ontario Economic Council. Mr. W. A. Macdonald, a distinguished Toronto lawyer and member of the McMillan Binch firm spoke in similar terms. I am sure hon. members recognize the McMillan Binch firm as the firm John Turner went to. Mr. Macdonald expressed concern about the impact a number of policies of the government were having on the country.

We should stop and take stock of where we are moving. If we are moving in the right direction, are we using the right tools and are we on the right track? Are we going too quickly? Is the speed at which we are travelling having deleterious effects?

I am sure all those who heard the special report carried by the Canadian Broadcasting Corporation broadcast in the early part of this week must have been moved by the discussions on activities in western Canada. When I was in Regina, Edmonton and Vancouver, I talked to a great many people, not just Conservatives but people who are interested in the development of Canada as much as anyone else is. I was told about the tremendous diminution of drilling rigs in western Canada.

Since the National Energy Program began, more than 100 drilling rigs have left the country. If my figures are incorrect and they can be checked, I will certainly correct them on the record. But the movement of 100 rigs is a major movement. Drilling rigs are not like hand pumps that one can pull out of the ground, they are not like electric drills that can be moved easily. The movement of one drilling rig involves 30 trucks. A big decision is made when a rig is moved. Where are these drilling rigs going? They are not going to the United States because their owners like Americans more than they like Canadians. It is not that at all. I do not believe rigs are leaving Canada because their owners do not like the policies of the government of Alberta. They may not, but I do not believe that is the reason. If anyone can tell me of a commentator who would say that, I would like to know. Drilling rigs are being moved by their owners because of the National Energy Program. People are concerned about the Canadianization policy. They are concerned about the the proposals involving Canada lands. Given that kind of concern, it is only natural people turn to the United States.

● (1550)

I am not suggesting at all by what I am saying that companies should have an untrammelled right with respect to Canada lands, but I think we have to stop, look and listen to what has happened. We must listen to those who are knowledgeable in the business. We must ask ourselves whether the policy, of which this bill is the keystone, is really in the best interests of the country, given the speed of implementation and given the side effects from it. That is of interest to us because I believe it can be demonstrated that for every Canadian job lost in Alberta, for every drilling rig which is taken out of Canada, and for every negative shift, the impact is not felt only in Drayton, Alberta; it is felt in Ontario among the suppliers of valves, pipes, fittings, trucks, drills and all of the things manufactured here and used in the drilling industry. This can have an impact on the petrochemical industry in Sarnia, represented by my friend, the hon. member for Sarnia (Mr. Cullen) who is in the House. We are not little islands in this country, we are joined together as one country in the economic sense, and that is the course of the matter. That is the thing that concerns and worries me about this bill.

I had determined not to enter the debate until I heard my friend, the hon. member for Calgary South. I think it is very important that the government not consider anyone who is opposed to the bill as being opposed to Canadianization, but that at least it consider another way to Canadianize. I hope it is considering other ways.

I do not have to tell you, Mr. Speaker, about the importance of foreign capital to the industry. My friends have talked about that importance, and it is important. You represent a part of the province of Ontario, as I do, and you must know, as I know, the concerns there are within the province of Ontario regarding the whole question of deindustrialization. We do not have oil here. We have some very small quantities of natural gas, but we do not have oil. If we are to see our growth, it will be in high technology, in the developing, manufacturing, assembling and processing industries. That is not happening in Ontario at the moment. That is one of the difficulties of this province. If we are to have balanced economic growth, I believe it is important to have growth everywhere.

One of the things that you and I encountered, Mr. Speaker, when we were in the Republic of Germany was that wherever we went—and you will recall that we met Chancellor Helmut Schmidt, provincial officials in Stuttgart and officials in Bonn, we met them socially, as you will recall, and we also met them at the session of the committees of the parliament in Bonn—was their puzzlement, they were scratching their heads. They wondered why we took this kind of universal approach to the question of foreign capital. They indicted a willingness to enter into joint ventures with us, ventures in which they did not want the majority holding. They are interested in making money and they look upon Canada, they thought, as a reasonable place in which to invest, but they scratched their heads. I think this government too is beginning to scratch its head a little about this matter.

As the hon. member for Calgary South has said, jobs are created as a result of the creation, the building, the augmenting of industry in any part of Canada. There is a great problem in Canada with respect to jobs. We have a million Canadians unemployed. We have people who are trained to do some jobs, but there is no place for them to work. We have people who are educated but because there is no development at the moment, they find themselves underemployed. There is nothing wrong with working at what might be termed a job at an ordinary level, but it is a shame if a person is trained to work at something different and cannot do it. That is a concern we all must have, and I gather the government is suddenly becoming concerned about it.

All those brave words in the Speech from the Throne have come to nothing. Little has been heard recently of the Foreign Investment Review Agency, and little has been heard about the strengthening of it. The reason is that it was regarded, and is becoming regarded within the Liberal government, I think, as a matter that will slow the pace of needed development. The same can apply to any government policy. However we like to cut it, in the resource industry in western Canada at the moment the application and the pace of the program under the national energy policy as announced, and the form and method of Canadianization, is having that kind of dulling effect on the cutting edge of one of our industries with the greatest potential in Canada.

If the government does not soon develop some reasonable policies with respect to research and development, then we in our own part of Canada will begin falling behind the Germans, the Japanese and others in terms of high technology. In that case, we can use some help from the government in terms of some reasonable approach to research and development. If those reasonable approaches are not made with respect to the national energy policy, Canadianization and all the things involved in Bill C-48, the same thing could happen in western Canada. Whether that kind of decrease happens in this part of Canada or in western Canada makes no difference to Canadi-

ans. To the extent that we do not realize our potential, wherever it might be in Canada, the best interests of the country, the people and the future, are not appropriately served by government policy. That is the isssue before the government with respect to Bill C-48. Thank you, Mr. Speaker. May I call it four o'clock?

Mr. Deputy Speaker: Order. It being four o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely notices of motions, public bills, and private bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

Motion No. 43 allowed to stand by unanimous consent.

* * *

ENERGY

HYDRO DEVELOPMENT AT CHURCHILL FALLS, LABRADOR

Hon. John C. Crosbie (St. John's West) moved:

That, in the opinion of this House, the government should act on the request of the government of Newfoundland outlined in a letter addressed to the Prime Minister by the Premier of Newfoundland dated April 16, 1980, to ensure that hydroelectric power pass freely from the development of the Lower Churchill River in Newfoundland and Labrador from Labrador across the territory of the province of Quebec to other provinces and territories so that the said hydroelectric power can be sold freely to other customers and not be forced to be sold to Quebec Hydro alone at whatever price Quebec Hydro wishes to impose, and that the government invoke its authority under the BNA Act to grant to Newfoundland the right to transmit hydroelectricity across the province of Quebec in a similar manner to action taken to permit the free flow of oil and natural gas from Alberta and the western provinces to consumers in Ontario and Quebec by way of interprovincial pipelines, and that the government act immediately so that financing arrangements can be concluded and steps taken to commence the development of the hydro resources of the Lower Churchill River in Labrador during 1980.

● (1600)

He said: Mr. Speaker, I rise on this motion to put before the House the facts of a situation which is a national tragedy. It is a national lost opportunity. It is a national shame. This is a cry to the nation for justice.

This motion was moved, Mr. Speaker, on April 30, 1980. It is now a year and a half later, and we have progressed no further.

In 1965, an agreement was entered into between Quebec Hydro and the Churchill Falls-Labrador Corporation, a subsidiary of Brinco, to build the Upper Churchill power project with the approval of the Newfoundland government. It was completed and it now produces 5,600 megawatts of electric power, 35 billion kilowatt hours per year that is purchased by Quebec Hydro and sold by CFL Co. It is the equivalent of 60 million tons of oil in energy. Under that contract, the power is

sold for 3 mills, that is three tenths of one cent per kilowatt hour, which transposes into $1.80 per barrel of oil. The equivalent price of oil would be $1.80 per barrel. Under the contract entered into, which became effective September 1, 1976, for 65 years, this contract will continue to the year 2041. After 40 years, the price will go down to 2 mills per kilowatt hour, two tenths of one cent per kilowatt hour, the equivalent of $1.50 per barrel of oil. This will be in the year 2016. In essence Quebec will be getting oil at $1.50 per barrel, or hydroelectric energy at a price of 2 mills per kilowatt hour.

As we know, imported oil is now costing Canada $40 per barrel. Quebec obtains its power at a cost to Quebec Hydro of about 10 mills per kilowatt hour, when you include the cost to Quebec of bringing it across the transmission lines from Churchill Falls into Quebec. The power that they are getting at a cost of 10 mills per kilowatt hour, they are now selling within Quebec for an average price of 25 mills per kilowatt hour. The profit per year to Quebec Hydro for 35 billion kilowatt hours of energy sold at 25 mills per kilowatt hour is $525 million a year. That is a very good deal, you might say. You might say they were stupid in Newfoundland to have entered into this arrangement, and doubtless that is true. The person who was responsible was the then premier, Mr. Smallwood, who in large measure has to bear the responsibility for this. Of course, we are looking back from our vantage point now and it is very easy to be smart in hindsight.

This contract does not have a provision for renegotiation or escalation. The inflation alone would amply demonstrate that if CFL Co. were left as a private enterprise, it would be bankrupt before this contract was even half completed. This contract was so ineptly drafted, showed so little forethought, that CFL Co. would have been bankrupt if left as a private enterprise before half the 65-year term of the contract was over. There was not even an escalation clause included to cover inflation.

That is a very good contract for Quebec Hydro. In Newfoundland there is a feeling of great injustice. I do not think Newfoundland is making any money from this. The $8 million or $10 million, which was the original estimate of what Newfoundland would make in the Upper Churchill, has gone with the increased costs since then. This is confirmed by the study done by the Economic Council of Canada. That is the Upper Churchill.

In 1974, the Newfoundland government took over CFL Co. from Brinco by nationalizing it. I was there and I am delighted to have been a member and one of the originating spirits of that action. Work was planned to begin development on the Gull Island site in the Lower Churchill. That site would provide 1,700 megawatts of power. Work was also planned to develop the Muskrat Falls site on the Lower Churchill River, which would have produced another 600 megawatts of power, resulting in a total of 2,300 megawatts of power.

Newfoundland had to have the power. It ran out of new hydro sources in Newfoundland, as I will demonstrate in a moment. They are now left to use very expensive oil. We all know what has happened to oil. Newfoundland spent $78.3

million working on the plans for those two projects. In 1976 the Newfoundland government had to stop because there was no agreement with Quebec. You might ask: no agreement about what? Well, Mr. Speaker, in Newfoundland we cannot develop 1,700 megawatts of power from the Lower Churchill without having more customers than exist in Newfoundland. The surplus has to be sold somewhere for a period of 10 to 20 years.

The only way to sell that surplus is to sell it to Hydro-Quebec for use in Quebec, and if Hydro-Quebec does not want it, to sell it to somebody outside Quebec, such as the United States, Ontario, New Brunswick or Nova Scotia who need and want the power. However, the position of the Quebec government has been negative. They have said: "No, you are not going to sell that power to anyone else". They have said: "You cannot transmit that power over our territory unless we buy the power ourselves." They will not allow us to sell to some third party, and they will not buy it.

In any event, they have told us that if they did buy it, they would not give us very much for it. They have said: "You have to surrender any rights or claims you think you have on the Upper Churchill before we will agree to let you sell this power to us or transmit it to anyone else."

Well, Quebec is obviously in a very stong position. The Government of Canada has never exercised its constitutional right to expropriate land or permit construction of interprovincial and international electricity transmission lines, such as they have done for oil and natural gas transmission lines. It has exercised its power to allow oil and gas to come from Alberta, across Saskatchewan, Manitoba and Ontario into Quebec. No province can stop them from doing that, but the federal government has not done that for hydroelectric transmission.

Newfoundland was left without any accessibility to the power from its sites at Gull Island and Muskrat Falls. In 1978, the federal and provincial governments formed the Lower Churchill Development Corporation, 49 per cent of which was owned by the Government of Canada and 51 per cent by Newfoundland. The two governments have spent $25 million to date, $15 million from the federal government and $10 million from the province. The plans for the development of Gull and Muskrat have been found to be economic and feasible. Gull Island is preferred because it gives lower cost power, but the surplus power must still be sold for a number of years and Quebec has stopped all further progress because of the reasons I have outlined.

Now, Mr. Speaker, the Newfoundland government says it is not going to give up any claims on the Upper Churchill. Never will it give up its rights or claims on the Upper Churchill. No, no, never, never, nay never. No more will we sell our heritage, nay, never more. That is the attitude of the province of Newfoundland. They are not going to surrender their right to that tremendous resource on the Upper Churchill for justice and equity to develop the Lower Churchill. The Newfoundland government would allow the lights to go out first. I hope it will never come to that. It is unreasonable for it to be asked.

In an attempt to get justice on the Upper Churchill, Mr. Speaker, a court action was commenced in 1976, when I was minister of mines and energy in Newfoundland, under the original lease between the Newfoundland government and CFL Co. The action was taken under a provision of the lease which said that Newfoundland had the right, provided that upon the request of the government, consumers of electricity in the province shall be given priority where it is economic and feasible to do so.

Newfoundland, acting on that clause, asked Quebec Hydro and CFL Co. to permit Newfoundland to recall 800 megawatts of power. The answer from Quebec Hydro—and CFLCo had to observe what Quebec told them—was no, it is not going to allow Newfoundland to recall anything but the 300 megawatts permitted under the original agreement. They would not allow any more than that. We cannot get any power from the Upper Churchill, although we need the power on the island of Newfoundland and Labrador. A court action was commenced against CFL Co. and Quebec Hydro was joined as a party. It took five years to get it into court. It is in court now, the trial is under way and it will be another five years before that is all concluded. We cannot wait another five years. So in November of 1980 the Newfoundland government passed legislation known as the water rights reversion act which provides that they are going to expropriate, or nationalize, CFL Co.'s assets. They are going to take them over, take back the water rights. They will pay off all the bond holders, and if that legislation is found to be *intra vires* of the province, and I hope to God that it is, then Newfoundland will at last be in a position to deal *mano a mano* with the province of Quebec in this situation, because Newfoundland will own the assets and have the power and will not have to sell power to anyone. It could just turn the switch off quite legally and properly if this act is *intra vires* of the province. The case went before the Newfoundland court of appeal this month on a reference. They will be giving a judgment by early 1982. It took five years to hear the argument. All the parties were represented. After a judgment is given there, it will go to the Supreme Court of Canada, and we can expect to have an answer in another year as to whether or not that legislation is *intra vires* of the province. If it is, then the province for the first time will have an equal bargaining right with the province of Quebec. Quebec will have to sit down with Newfoundland, and they will have to decide on a fair and equitable arrangement on the Upper Churchill.

• (1610)

Newfoundland is not asking that Quebec give up its right to this power from the Upper Churchill or that it surrender much of the power. It only wants the opportunity to have some of that power at a reasonable cost to meet the needs in Newfoundland now. It wants and is quite prepared to do a deal with Quebec to develop the Lower Churchill and Muskrat Falls.

I have already mentioned the 1,700 megawatts on the Gull Island site. There are 600 megawatts at the Muskrat site. There are five more rivers whose headwaters originate in Newfoundland. They go down through the territory of Quebec

into the Gulf of St. Lawrence. On those five rivers there are another 3,000 megawatts of hydro power wasting away, running into the ocean. Fifty-three hundred megawatts of energy are now running into the ocean every day, unused, the equivalent of another 60 million tonnes of oil per year that could be used here in Canada running away because no one can solve this conundrum and because the Government of Canada, the national government which has the constitutional powers and responsibilities, has taken no action to date to resolve this and to force the two parties to be more reasonable. The federal government could certainly exert some pressure by using its constitutional power and asking Quebec to be more reasonable. It could show Quebec that it really will have to be more reasonable.

There has been another cost to Newfoundland. The cost of site work on Gull Island in 1976, if construction had started then, would have been $2 billion. The estimated cost today is $4.3 billion. The cost has more than doubled because of this unnecessary delay caused by the somewhat, I believe, predatory and unneighbourly position taken by the province of Quebec, but, of course, they are responsible to their own electorate. I suppose they feel they cannot give anything up unless they are forced to give it up. They cannot justify it to their customers or their people, and they are in a difficult position. I can see that in Quebec. Unless they can show they are forced, that they have no choice, are they going to give up $535 million a year, which will eventually become a billion dollars a year? And God knows what it will be before the 65 years are up.

So that is one cost to Newfoundland. The cost to Gull has now doubled. If it started now, it would be $4.3 billion. But Newfoundland had to have more energy. They had to build a third oil fired unit at Holyrood. It cost $75 million for 150 megawatts of power, oil fired. That is very, very, expensive, as hon. members know, the oil costing now whatever it is. There is some subsidy from the Government of Canada, but it is $34 a barrel, $40 imported. It is costing the Government of Canada quite a bit to subsidize that oil.

Then we had to do the Hinds Lake hydro project in Newfoundland, $80 million for 75 megawatts of power. That costs 25 mills a kilowatt hour. Then the province had to start the upper Salmon development; $155 million to produce 84 megawatts of power. The cost to Newfoundland hydro is 40 mills per kilowatt hour, almost 20 times what Quebec is paying for Upper Churchill power, and now the government of Newfoundland has had to start the Cat Arm hydro project, the last site left on the island of Newfoundland; $300 million to produce 127 megawatts, and the cost, 60 mills per kilowatt hour that we have to produce in Newfoundland, power for which our people pay 60 mills, while we are selling all this power to Quebec at 3 mills per kilowatt hour. We are paying in Newfoundland now 20 times what Hydro-Quebec has to pay for the power from the Upper Churchill.

The total cost of all those developments on the island, all of which would have been unnecessary if Gull Island had been permitted to start, was $610 million which had to be spent unnecessarily in new plants. This was because Quebec said that Gull Island could not go ahead because they would not purchase any surplus power and they would not permit Newfoundland to transmit it to anyone else.

Those are the basic facts. The government has presented, in an energy security bill to the House—no, it was not presented to the House, I do not think. It is a suggested draft bill that is planned to be presented to the House. There are provisions in it that would give the Government of Canada the right to put under the National Energy Board interprovincial and international electric lines which link producers of electricity with customers elsewhere in the country or on the continent. If that legislation is eventually passed, that would give the government and the NEB the legal powers to do this if they so wished, but that legislation is not likely to pass the House for another six months, nine months or however long it might take, and this situation requires action now. It is a national tragedy, not just a Newfoundland tragedy, that one of the most disadvantaged provinces, one of the provinces lowest in per capita income, one of the provinces striving to pull itself up by its boot straps, should be losing $535 million a year at the moment because of a bad contractual arrangement made in 1965. It would be bad enough if it had been since 1968, but that for the years since 1976 it has been prevented from developing all this power in Labrador because the province of Quebec has a strong stranglehold on whether or not the development goes through and wants to exact capitulation and surrender with respect to the Upper Churchill is intolerable. That is what we have a federal government for, and it clearly has the powers. It does not need to amend the Constitution to get these powers. It has them already but has failed to exercise them.

So I believe either this should come forward now and the government should act now—separate this out from the energy security bill—or the Minister of Energy, Mines and Resources (Mr. Lalonde) should try to see if some progress cannot be made by persuading Quebec and Newfoundland that there is no point in waiting any longer. These developments have to come. How long can Canada wait for all that power to be developed in these rivers? Fifty-three hundred megawatts of power today are just running away into the waters of the Gulf of St. Lawrence and the Labrador current because of this impasse.

The solution to all of this, of course, was back in 1965. I will say this for Mr. Lévesque: he was the minister of resources in Quebec, and he approached Mr. Smallwood back in those days and suggested, before the project started, that the Upper Churchill should be a joint venture between Newfoundland and Quebec. Had that been done, it would have been a sensible way of doing it. They could both have shared these resource rents equally. But the then premier of Newfoundland, Mr. Smallwood, said "No." He would not abandon his favourite son, BRINCO, that he had had something to do with having created years before. As a result, this great opportunity was passed up, and we face in the province of Newfoundland this impasse today.

I am not advancing this or putting these facts forward in any way against the province of Quebec. Naturally they want to protect themselves and enjoy all the fruits of that contract they can enjoy. As I said before, their politicians and their government have to remember that if the cost of power goes up in Quebec because Hydro-Quebec agreed to pay more for Upper Churchill power, their own electorate might be very, very angry at them. So the only solution now is either if the Newfoundland legislation passes the test of being *intra vires*, that will mean that there will have to be a settlement between Quebec and Newfoundland because their two bargaining powers will then be just about equal and they could work out some arrangement between them, or, failing that, the Government of Canada has to exercise its jurisdiction in the national interest because this power is not all needed in Quebec. The power is not all needed in Newfoundland. It will save the importation of tremendous amounts of expensive oil altogether on the Upper and Lower Churchill and the other rivers that I have mentioned, 120 million barrels of oil a year in energy. That is why I say it is a national tragedy. That is why I have put this motion forward. I hope putting the facts on the record will induce members of this House to urge the government to take some action, and take it now, before the final conflict and struggle comes when the Newfoundland legislation is found to be *intra vires*. If it is found not to be *intra vires*, there is no telling what the future will hold for the province of Newfoundland or what confrontations or conflicts will then ensue.

● (1620)

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, one of the advantages of being a member of this House is that you can see problems outside your region and appreciate some of the great difficulties in making a country like Canada work. My riding is in Vancouver, some 4,000 miles away from the area talked about by my friend, the hon. member for St. John's West (Mr. Crosbie). I learned a lot from what he said in his speech today. I want to state some of what I have learned in order to clear it in my mind and get it on the record. I want to suggest some ways this very delicate issue might be handled.

I understand that 14 years ago Newfoundland agreed to sell almost all the hydroelectric power from its massive Churchill Falls project in Labrador to the province of Quebec, that it is a 65-year contract, and that Quebec agreed to pay Newfoundland $100 million a year. That works out to slightly less than three mills per kilowatt power per hour. A mill is one tenth of a cent. Since the signing of that agreement in 1967, world energy prices have soared. Current market prices for electricity are in excess of 30 to 50 mills per kilowatt hour.

As I understood the hon. member for St. John's West, Newfoundland should be collecting about $700 million a year for this energy. It wants Quebec to tear up the old contract and renegotiate. I gather that Quebec says, "A contract is a contract. We know bargain-basement prices when we see them, and we will not tear it up."

The hon. member also referred to a court case, which no doubt will be decided by the Supreme Court of Canada. I have read and heard about this issue before. It is like a peat fire smouldering under the surface for many years, and now it is flaring up. It is approaching the stage where we must think of trying to resolve this problem.

I knew the hon. member was going to make his speech today so I made some inquiries as to the Quebec side of the argument. Being a lawyer like the hon. member for St. John's West, I suspected there are usually two sides to any argument or case. I want to put this on record as well and to clarify it in my mind and get it through my thick Scottish head so that I can make some suggestions.

I understand that Quebec maintains that unless Hydro-Quebec had agreed to buy the electricity in the first place, the Churchill Falls project would never have been developed. I also understand that Quebec Hydro raised money for the project in the United States, laying itself on the line in doing so, because Newfoundland could not raise the money. It may be said that it was easier for Hydro-Quebec to raise the money than for Newfoundland, to do so.

I further understand that the province of Quebec had been involved with long-term contracts with Ontario for hydroelectric power at very disadvantageous rates. In fact, when the last contract expired in 1976, Ontario was paying 2.7 mills for Quebec power. The then market value was four mills. That was the going rate for power generated by Ontario Hydro at the time. Quebec did not like those contracts but, to quote Premier Lévesque, they lived up to them to the bitter end. One might say there is a big difference between that discrepancy in mill rates and the discrepancy the hon. member for St. John's West clearly set before the House today.

I understand there is another issue running in tandem with this, which was not mentioned today by the hon. member for St. John's West. There has been a long-term Quebec-Newfoundland dispute as to who owns Labrador. That dispute goes back some time. Again to quote Premier Lévesque, he said, "If we were robbed in 1927, by God it was only simple justice to get some of our own back by getting the lowest possible price for their power." The issue of an equitable contract is therefore clouded with the issue of the ownership of Labrador. It may not logically follow, and some would say it should not, but it is there. When you try to weigh the argument on both sides, you have to recognize that.

The hon. member's resolution may be somewhat premature. The National Energy Board Act amendments in the energy security bill before the House will cover some of the concerns the hon. member mentioned. Let me say something about that so that I can get it clear as to what those amendments do.

As I understand it, the amendments to the National Energy Board Act, as proposed in the energy security bill, will have the effect of broadening the board's jurisdiction with respect to power lines and redefining the board's jurisdiction in relation to oil and gas export prices.

The NEB will be able to regulate interprovincial power lines which may, in the future, be designated as falling within its jurisdiction. Authority for these designated lines has been added to the board's mandate to ensure that authority exists to permit construction of a dedicated power line between two provinces through a third.

The amendments also grant the board authority to expropriate the necessary rights-of-way for both international and the designated interprovincial power lines. This will provide treatment for power lines analagous to that accorded pipelines.

I should say that this has never been decided in law. The Supreme Court case may be helpful, although it may not settle the issue. According to Professor John Laskin at the University of Toronto, one of the finest law schools in the country, it has been established by the Federal Court that pipelines can go across provincial boundaries, but the issue is yet to arise with the interprovincial transmission of electric power. Therefore, it is a complicated issue.

There are negotiations being carried on between the governments of Quebec and Newfoundland over this issue. I believe it would be better to await the outcome of these negotiations. If you listen to the debate, as you have, Mr. Speaker, on this and on Bill C-48 which we have been debating, you can see the kind of anger and frustration that some of the members on my right feel. They kid me a lot and I kid them, but I can pick up the regional anger and frustration. They are saying, "By God, Ontario did that to us for hundreds of years." I think the hon. member for Bow River (Mr. Taylor) expressed it best. I will not quote him directly, but to paraphrase his remarks, he indicated that Ontario did it to them for hundreds of years, that is, it controlled energy and so on, and that they would do it to Ontario now. We can see the anger and frustration, but unfortunately a country cannot be governed consistently on anger and frustration. There must be some equity and some justice. The hon. member for St. John's West appealed rather eloquently for the justice of the Newfoundland case. On its face, it seems to be a bad contract. I have learned much from what he said, but I note that he ran for Mr. Smallwood and the Liberal Party in 1966, approximately six years after the negotiation of the contract. Presumably he supported the policies of the then premier, Mr. Smallwood. I am sure even the hon. member in his wisdom could not have foreseen the increases in energy prices and their effects on the old contract, the old deal.

● (1630)

I should like to refer to some remarks made by a past prime minister, the late Right Honourable Lester B. Pearson, as reported on page 2145 of *Hansard* for April 14, 1964, as well as some of his remarks later on. He said:

[*Translation*]

It is the task of parliament, without regard to party; it is the challenge of statesmanship rising above faction, to find the solutions to our problems which are now more serious and more difficult than any we have faced in peacetime since 1867.

[*English*]

I especially like the lines where Mr. Pearson went on to say:

[*Translation*]

Mr. Pearson was referring to the problems with Quebec during the sixties. He discussed the quiet revolution in Quebec which strangely enough, Mr. Speaker, offers a number of similarities with the kind of economic revolution western Canada is going through at the present time. Mr. Speaker, former Prime Minister Pearson said, and I quote:

We must find these solutions by agreement, not force them by compulsion. We cannot hope to find such agreement in our country if we cannot find a basis for it in our parliament.

[*English*]

I take it he was setting forth the general principle that we should try to settle things by co-operation. That would be the best way in delicate interprovincial matters. The best way to settle the dispute between Newfoundland and Quebec is by negotiation. We on this side of the House recognize that there are arguments on both sides and that the dispute must be settled by negotiation.

The hon. member for Vancouver East (Mrs. Mitchell) recently returned from a trip to Labrador. She told me that Labradorians feel quite separate from Newfoundland, and that they act accordingly. Anyway, they prefer to be called Labradorians rather than Newfoundlanders. I suspect much of this is caused by their isolation from Newfoundland. They indicated to the hon. member that they would like a redistribution of federal representation to ensure that they would have their own representative from Labrador, rather than counting on an islander, who apparently never visits them. Certainly it would be helpful to have a member from Labrador in the House who could express their case just as forcefully, or perhaps even more forcefully than it was expressed today by the hon. member for St. John's West.

I understand as well that Labrador is not very happy with the deal between Newfoundland and Quebec over Churchill. They would like to use Churchill as a regional economic base from which to develop Labrador. It sounds similar to some of the arguments in the north concerning the development of megaprojects—there is much rhetoric but there are very few local benefits. I might add that the hon. member for St. John's avoided any heights of rhetoric that I have sometimes heard from him in the House in order to lay the facts before us. It might be interesting to note what the Prime Minister (Mr. Trudeau) said in 1972 when the power was finally turned on at Churchill Falls. As reported in the *Toronto Star*, he said:

—he proclaimed the project begged "comparison with the pyramids but with a usefulness which promises the benefits of a Nile."

There was much promise when that project happened. By using our heads, being very rational, with a little give and take on both sides, we should realize that, on the one side, this is a very bad contract for the government and the people of Newfoundland, and, on the other side, that the Quebec government goes back a long way and feels aggrieved by the loss of Labrador—there may be some solution through continued

negotiations, rather than by way of Parliament declaring what should happen. I do not deviate from the principle that if this Parliament has to do so, it should, but I would prefer if we followed—

[*Translation*]

—the feelings of Mr. Pearson, and finally reach an agreement between the province of Newfoundland and the province of Quebec.

[*English*]

Mr. Roger Simmons (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, the hon. member for St. John's West (Mr. Crosbie), my good friend of many years, and I are not often on the same side of an argument. But I am delighted to say this afternoon that I find myself very much in agreement with many of his points. Certainly I support the spirit of the cause he espoused in the House today. I will elaborate on that point in a moment or two.

Before the hon. member for Vancouver-Kingsway (Mr. Waddell) leaves the chamber, I should like to comment on one or two of the points he made in this debate. He made much of the quotation of the late Right Honourable Mr. Pearson. Then he chided the hon. member for St. John's West about the time when he was a Liberal. Perhaps I should indicate that when Mr. Pearson made that particular speech the hon. member for Vancouver-Kingsway was also a Liberal working very hard for the Liberals in Toronto. Unfortunately he took a below-the-belt dig at the Minister of National Revenue (Mr. Rompkey) and pointed out that he was an islander. From my knowledge of the careers of both gentlemen let me indicate that the hon. minister has lived more years in Labrador, namely ten or 11, than the member has lived in Vancouver. I suggest he stick to the issues and he would be less inclined to trip himself up. Also he indicated that he learned a lot from the speech of the hon. member for St. John's West. I am sure he has. I would caution the hon. member, nevertheless, to separate facts from fiction. There is a fair amount of fact in what the hon. member for St. John's West said today. There is also a little fiction. I want to address myself to both, Mr. Speaker, during the next few minutes.

● (1640)

The hon. member for St. John's West talked about the lease signed in 1961 involving the transmission of power, the 65-year deal we have heard so much about. In effect, it forms part of the basis for the motion before us. Mr. Speaker, it has been 20 years since the deal was signed. It would be purely academic to spend time defending the deal at this particular time. Suffice to say, for the purpose of what I want to say later, that at the time it was considered to be a very good deal. Indeed, it took the best brains on both sides of the Atlantic to put the deal together.

At that time, it was considered such a good deal, Mr. Speaker, that it was unanimously endorsed by every member, without exception, of the Newfoundland House of Assembly, including the three lonely Tory members who sat as the official opposition in Newfoundland at that time. Every member of the House in that day, in 1961, thought it was such a good deal that every person, at that particular time, no one abstaining, endorsed the deal.

As my friend, the hon. member for Vancouver-Kingsway pointed out, it continued to be a good deal as late as 1966 when my good friend from St. John's West joined the cabinet of the gentlemen who engineered that particular deal. It is significant to note that the hon. member for St. John's West, in the three years he served in Mr. Smallwood's cabinet, did not utter a single word about the deal in terms of it being unfair, inadequate or less than good for Newfoundland.

An hon. Member: We were not told anything about it.

Mr. Simmons: No, Mr. Speaker. Do not misunderstand me. I am not at all attacking the position of the member for St. John's West at that time. The reason he did not speak out is he had good reason to believe in 1966 that it was a good deal. In 1966, 1967, 1968 and 1969 it was perceived to be a good deal. It was a good deal as long as oil was $1.80 a barrel. Although my good friend for St. John's West was able to forecast and to look ahead, he could not have guessed that in 1966 or in 1969 the OPEC countries would do what they did in the 1970s to the international oil prices.

That is the key we are missing in this particular issue, Mr. Speaker. What was considered in 1961 and for a decade afterwards to be a good deal is not a good deal in today's terms. That is the point that the hon. member for St. John's West is making, I believe. In 1981 terms, it is an unconscionable deal. It is an insult and it is an unfair deal. It is highway robbery. The times have changed. The terms are changed.

As a consequence, I submit that the deal has to be rewritten. There has to be a new deal in so far as Upper Churchill Falls power is concerned, Mr. Speaker. On that point the member for St. John's West and I see eye to eye and cheek to cheek, to quote him. I will not quote him further because of my propensity for common decency.

Let us set aside the old business of hindsight, the hindsight everyone seems to exercise these days, about how shocking the deal was in 1961. In 1961 and in 1965 it was a good deal, but it is not a good deal in 1981 because of the circumstances that have since transpired. I will repeat it in another way for you, Mr. Speaker. If prices had remained at $1.80 or $2 a barrel today—and we know they are not because they are around $34 or $35 a barrel—Mr. Smallwood and his cabinet would be heroes because they had the foresight to sign a 65-year deal to lock the people of Quebec into a deal—at such good bargain basement prices. Was it the foresight of the people who were negotiating the deal in 1961 that was at fault? No, Mr. Speaker. Who would have dreamed at that point in time that we would today be talking on the international market about something in the order of $34 or $35 a barrel, as opposed to less than $2. That is what went sour with the deal, and that is why it is wrong in today's terms, Mr. Speaker. Conscience and common decency dictate that that deal must be renegotiated in

terms of today's realities, realities that changed drastically in the early 1970s after the advent on the world scene of the OPEC phenomenon.

The member for St. John's West talked about gas moving from western Canada through the pipeline, so why not electricity. Mr. Speaker, where has the hon. member been? On June 22 the minister in the House, I believe, gave notice that it is the intention of the government to rectify that situation. It is the intention of the government, through the energy security act, to provide that the National Energy Board have the same powers in respect of the transmission of electricity as it does in respect of the transmission of natural gas. We have given notice that we intend to do that. Mr. Speaker, at such time as we do, and I expect it will be in the reasonably near future, I hope we will have the unqualified support of the hon. member for St. John's West. It will go a long way, not the whole way, to address the issue he identified today in this important resolution.

The hon. member for St. John's West during his speech today also mentioned the so-called joint proposal involving the hydro development in Labrador, the joint proposal that would have involved Mr. Lévesque at the time of the Lesage administration in Quebec and Mr. Smallwood on the Newfoundland side. As often is the case, Mr. Speaker, my good friend for St. John's West conveniently forgot to mention an essential component of that particular joint deal. He forgot to mention that an integral part of the proposal was an alteration of the Labrador boundary between the province of Quebec and the province of Newfoundland. The then Quebec minister of energy, Mr. Lévesque, wanted access to the headwaters of five rivers that have their headwaters in what is now Newfoundland-Labrador but flow through the province of Quebec to the ocean.

Mr. Speaker, as part of the deal, they were looking to alter the Quebec-Labrador boundary. I say to you, Mr. Speaker, that my good friend from St. John's West does not understand Newfoundland politics at all if he is advocating a position that would in any way toy for one fraction of a centimetre with that boundary between Newfoundland and Quebec. In advocating that particular position, harking back to the day when we could have had a joint proposal, I am sure he is not for a moment giving credence to the idea that any sensible, sane, Newfoundlander who is still alive and kicking would stand idly by and allow a premier of any province to toy and tamper with the boundary between Newfoundland and Quebec. That is the kind of half truth, Mr. Speaker, we have come to expect from the member for St. John's West. It is unfortunate. We have before us a case involving the development of hydro in Newfoundland where all of us in this House, irrespective of party, irrespective of what part of the country we come from, must be able to subscribe to the principle of fair play, and to the concept that a province of Canada, be it Newfoundland or some other, ought to have the right, without question, to move its product to market, whether that product be electricity or something else.

If the Canadian federation means anything, it should certainly mean the right of the people of Newfoundland or the people of any other province to move their product to market, without obstruction and without interference, without having to ask the permission of another province of this country. In this particular case, it so happens that the nature of the commodity is such that it has to be moved in a way that is different from the movement of commodities by rail, ocean or air. This happens to be electricity. We happen to need an immobile, physical structure across another province to get that product to market, either in another province of Canada or in a state of the United States.

● (1650)

Mr. Speaker, should that make it any different in terms of the basic right of the people of a province to have their products, produced by their own sweat and toil, moved to market? That is the principle. I defy anyone in this House, no matter what the party or where the hon. member comes from, whether Newfoundland, Quebec or any other province in this country, to stand up and tell me that he or she is against the principle of having the free movement of goods and services, the free movement of products from place of production to place of consumption. That is the principle. We will disagree on the mechanism. We will have a dialogue, partisan and otherwise, on how it ought to be achieved; but no one can argue the principle which is embodied in the resolution of the hon. member for St. John's West, that is, the principle of moving, without obstruction or impediment, a product of a particular province to that province's market for that particular product.

I had hoped there could be more time to speak on this particular motion so that we could allow hon. members from all parts of this country, from all sides of this House, from all parties, to stand up and take a position on this important issue, because I submit to Your Honour that the issue is considerably larger than some infighting between two neighbouring provinces of this country. The issue is whether we in this House will stand by and allow, even by implication or default, interference with the free movement of goods and services. That is an issue which is addressed in the charter of rights which will shortly be before this House again. I implicity believe in the issue. I do not believe I have the corner on the market on that one. Knowing hon. members of this House as I do, I happen to believe that every hon. member supports that principle. It is so fair and so sensible that I wonder how anyone could be against it.

Let us not see it as only a fight between Newfoundland and Quebec. I understand what the hon. member for St. John's West and the hon. member for Vancouver-Kingsway have been saying. I understand that every politician, whether from Quebec, Newfoundland or anywhere else, tends to see things very much from his own vantage point. However, I believe there is an opportunity here to take this out of its potential parochial context and to address it as a principle which is as sacred as Canadianism itself. It is as sacred as the Canadian confederation that there cannot be any thought entertained for

a fraction of a second that a province of this country has any right to interfere with the free movement of goods to market. In this particular case, the goods happen to be electricity.

Given the nature of the rather special relationship I enjoy with my good friend, the hon. member for St. John's West—

Mr. Waddell: Cheek to cheek.

Mr. Simmons: —the good relationship, the cheek to cheek, hand in hand relationship I have always enjoyed with him, I would do him an injustice if I sat down without pointing out in a partisan, but nevertheless positive, fashion, a couple of holes in his otherwise brilliant presentation this afternoon. I am talking about two particular holes, and he will know the two holes I am talking about.

It is difficult to keep track of this fellow, because he moves around; but I remind him that—not when he was a member of a Liberal cabinet in Newfoundland, but some time later when he was a member of a Tory cabinet, the Tory minister of finance in Newfoundland, which was before he became the Tory minister of finance here, which was before he become the Tory finance critic here, which was before he became the Tory external affairs critic here—indeed, there goes a man with his future behind him. I remind the hon. member of two holes during the period when he was the Tory finance minister, just before the Tory 1975 election, because he made much today of how much these projects, the Churchill Falls and the Lower Churchill development, have cost the people of Newfoundland and the treasury of Newfoundland, of which he was the guardian in 1975, as Your Honour will remember. I remind the hon. member that one of the reasons—$14 million worth of the reason—is because during or just before the 1975 election, when he and his colleagues were looking for a renewed mandate from the Newfoundland people, they went down to the northwest coast of Newfoundland, in what is now the riding of my good friend, the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin), and they dug a great big hole in the ground. It cost $7 million, mind you, so it was a big hole. They went across to the Labrador side and made another hole. If nothing else, my friend from St. John's West is a master of illusion. The illusion is that they were getting ready to dig a tunnel under the Strait of Belle Isle, so they put the two shafts down, those two multimillion dollar holes in the ground.

Therefore, I say to him in fairness that if he is going to talk about how much this project has cost the Newfoundland people so far, he should at least do a mea culpa. He should at least admit that part of the reason it has cost so much is the cheap political decision with which he was involved when he was in the Newfoundland government. One of the reasons it has cost the Newfoundland people so much money is that they have been led down the garden path so often by that particular hon. member—and it does not matter to him whether he is a provincial Liberal, provincial Tory—by the way, for a while, he was also leader of the provincial Liberal reform—

Mr. Crosbie: That's impossible.

Mr. Waddell: That's impossible.

Mr. Simmons: He was the leader of the Liberal reform in Newfoundland for a while, and then he became provincial Tory. It does not matter if he is Liberal or Progressive Conservative. As my good friend and predecessor, the Hon. Don Jamieson, said, he is now a member of the turkey trot party. Does Your Honour know what a turkey trot is? A turkey trot is one step forward and two steps backward. He will be known as "Turkey Trot Crosbie" from now on.

Mr. Crosbie: It is better than the cow plot party.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. The usual practice is to refer to hon. members by their constituencies. The hon. member for St. John's East (Mr. McGrath).

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have only two minutes, and if I exercise my right to speak for those two minutes, I would be talking out my colleague's resolution. Consequently, I have to resist the temptation to take up the two minutes to deal with the contribution of the hon. member for Burin-St. George's (Mr. Simmons), except to say for one brief moment that in speaking of illusions, I mentioned to my colleague, the hon. member for St. John's West (Mr. Crosbie), that the hon. member for Burin-St. George's has finally cleaned up his act. However, that was an illusion because as he went on into his speech, he reverted back to his old self.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): First of all, Mr. Speaker, in the very short time allotted to me, I would like to say that my hon. colleague and good friend, the hon. member for Burin-St. George's (Mr. Simmons), has once again done an excellent job of putting forward this government's case with respect to some of the more nefarious statements made by the hon. member for St. John's West (Mr. Crosbie). I would also point out that the great friendship which exists and the closeness between the hon. member for St. John's East (Mr. McGrath) and the hon. member for St. John's West is evidenced by the fact that the hon. member for St. John's East is giving me the opportunity to respond to some of the allegations of the hon. member for St. John's West. My old boss, the previous member for Burin-St. George's, before my present good colleague, for Burin-St. George's (Mr. Simmons), was fond of saying, and indeed perhaps he said it in this very House, and even perhaps to the hon. member for St. John's West, that if hot air were music, the hon. member opposite would be a brass band.

Mr. Waddell: You are full of blarney, too.

Mr. Tobin: Indeed, that is the case. This government has taken every reasonable step necessary to ensure that the potential and the opportunity which exist in Newfoundland, if approached in a mature and rational manner, not in a wild, arm's flailing, voice yelling—

Mr. Waddell: Like you are doing.

Mr. Tobin: —hysterical fashion, but if approached in a mature fashion, can be developed. Indeed, we saw, as I am sure my hon. colleague pointed out, the introduction in this very House of Commons, just some months ago, a piece of legislation of which I am most proud. I would end on this note. It was a piece of legislation which gives to the province of Newfoundland, through the powers now vested in the National Energy Board, the right to permit—

Mr. Taylor: Why are you talking it out?

Newfoundland Hydro

Mr. Tobin: —if dealing is done in good faith, a power corridor to be established through that province to allow that very important Labrador project to go ahead.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

[*Translation*]

It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, November 2, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK

CALL FOR RESCINDING OF PENALTY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas many small Canadian businesses have their backs against the wall as a result of the government's mismanagement of the economy and the Liberal high interest rate policy, and whereas often these businesses are being forced to rationalize and liquidate assets used as collateral for Federal Business Development Bank loans, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the high penalty charged by FDBD on the early retirement of loans be rescinded to aid those businesses already forced to the brink of bankruptcy by the inept economic policies of the Liberal government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

ASSISTANCE SOUGHT FOR HOME OWNERS IN PETERBOROUGH AREA—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, later today I will present a petition to the House signed by no fewer than 32 residents of the Peterborough area who are in very grave danger of losing their homes through foreclosure. These are not merely 32 mortgage numbers to be added to the list already prepared by the minister, they are 32 families, and when you foreclose you take away not only their shelter but also their dreams, plans and sense of place in Canadian society where honest work used to mean a just and fair reward.

Under Standing Order 43 I move, therefore, seconded by the hon. member for St. John's East (Mr. McGrath):

That the help promised in the Minister of Finance's budget be announced and put into effect immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

CALL FOR REVERSAL OF GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, in that the forced implementation of metric across Canada will add an estimated half billion dollars to grocery bills because of the cost of converting to imported scales, and will seriously affect resource industries, farming and ranching, and will jeopardize trading patterns with the United States, I move, under the provisions of Standing Order 43, seconded by the hon. member for Peterborough (Mr. Domm):

That the Minister of Finance consult with his colleagues before the introduction of his budget to learn fully the negative impact metric conversion will have on the over-all economy, and reverse the government's position on the implementation of the metric system.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR DISPUTES

WABCO LTD.—IMPORTATION OF PARTS DURING STRIKE—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I move, seconded by the hon. member for Beaches (Mr. Young):

That the government review all of the terms and conditions currently in existence which permit WABCO Ltd. to import into Canada air brakes from their U.S. operations during the prolonged labour dispute which has resulted in a strike and, furthermore, that action be taken to protect Canadian workers who are exercising their legal right from having their position undermined by subsidiaries of U.S. companies, such as WABCO, which, while refusing to bargain in good faith, replace their Canadian-made products with a product manufactured by them in plants outside this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

PUBLIC SERVICE

MINISTER'S STATEMENT OF VIEWS ON DUTIES OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of some urgency. The Minister of Supply and Services (Mr. Blais) during a recent speech to the Management Consultant Institute said unblushingly that public service employees have a duty to support government policies and programs in public and should be actively marketing the programs they have been trained to administer. While I fully understand the concept of "Who's bread I eat, His praise I sing", a demand that employees market government programs smacks more of an attempt by the government to force employees into a propaganda role.

In light of this shameful statement by the minister, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That if after all the money being spent by this government to promote its policies and programs, Canadians remain understandably unimpressed, this government concede that the messages and not the messengers are to blame.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

USE OF GOVERNMENT AIRCRAFT BY CABINET MINISTERS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, four Liberal cabinet ministers, including the Minister of Employment and Immigration (Mr. Axworthy), Supply and Services (Mr. Blais), Industry, Trade and Commerce (Mr. Gray), and Indian Affairs and Northern Development (Mr. Munro), flew to Winnipeg this past weekend in four separate JetStars, thus costing the Canadian taxpayers a totally unnecessary $40,000. I therefore move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House instruct these arrogant and wasteful Grit ministers to practise what the Prime Minister preached in Toronto last week about Canadian people coming to their senses, and that these Grit ministers come to their senses and stop trying to surpass Otto Lang's extravagant record of JetStar use.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Axworthy: Madam Speaker, on a point of order, the information transmitted by the hon. member for Winnipeg-Assiniboine is false information. I did not take a JetStar to Winnipeg.

Madam Speaker: The hon. minister may debate this motion, but instead he made a point of order. The motion is not before the House. I asked if there was unanimous consent for the motion, but there is no unanimous consent.

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COMBINES

DEMAND FOR INTRODUCTION OF COMPETITION LEGISLATION—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, whereas the Liberal government has stood by without taking action while the oil companies ripped $12 billion away from the Canadian consumers; whereas Thomson and Southam have taken under their control most of the daily print media in Canada, as well as the major department stores; whereas merger activities over the last five years have resulted in tighter control of the Canadian economy than in most banana republics, and whereas the minister has done nothing but gut the proposed legislation, fire the director of investigation and research, and make promises, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Consumer and Corporate Affairs get on with his responsibility and lay before this House the proposed competition legislation that has been sought for so long.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN HOME INSULATION PROGRAM

NUMBER OF HOMES INSULATED WITH UREA FORMALDEHYDE—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, in view of the recent statement by the manager of operations of the Canadian Home Insulation Program that more homes were insulated with urea formaldehyde foam under CHIP than was previously known, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government compile an exact list of all home owners who received a CHIP grant for the purposes of using UFFI, so that if and when the government does decide on a program to help these people remove the foam, it can proceed immediately with those who received CHIP grants.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

SUGGESTION THAT MINISTER APPEAR BEFORE STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, since the government has failed miserably to assist the agricultural community to survive the impact of unconscionably high interest rates, and bankruptcies, seizures and foreclosures are taking place at an alarming rate and in a seemingly arbitrary and intensive manner. I therefore move, seconded by the hon. member for Red Deer (Mr. Towers):

• (1415)

That the Minister of Agriculture appear before the Standing Committee on Agriculture to explain to the members specifically what action the government proposes to assist those who are facing seizures and foreclosures.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

INCREASE IN RATE OF UNEMPLOYMENT

Mr. Jim Hawkes (Calgary West): Madam Speaker, I would like to get the attention of the Minister of Employment and Immigration, who is kneeling in the aisle.

Mr. Nowlan: He should kneel.

Mr. Hawkes: The minister will know that in the month of September Canada experienced the largest one-month jump in the unemployment rate in the entire history of this nation. When questioned about that fact on October 14, the Minister of Finance indicated that he was surprised and suggested that this might be an aberration or a sampling error. This weekend the Minister of Employment and Immigration indicated that he could see the softening all summer. Could the minister tell us what he saw that the Minister of Finance did not see throughout the summer, what he said to the Minister of Finance, and what the Minister of Finance responded?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, just so that the record is clear, I would like to point out to the hon. member that the unemployment figures as they relate to this last month should not be seen in isolation but in the context of the figures over the past year and in the future. In that respect I would point out that in the last 13 months there was unprecedented growth in employment in this country. Therefore, we have to take a very careful look at the figures for this past month and compare them with future figures before we make any precipitous judgments about the patterns we face in the employment field. I think it is very important that we deal with this subject very carefully and not be stampeded into a wild panic, which is what the hon. member is obviously trying to do.

* * *

THE ECONOMY

FIGURES RELATING TO GROWTH

Mr. Jim Hawkes (Calgary West): Madam Speaker, I accept the minister's invitation to compare some figures, and I would like to direct a supplementary question to the Minister of Finance. On that same date, October 14, the Prime Minister stood in the House and, in response to a question from the Leader of the Official Opposition, indicated that real growth in the Canadian economy in the first nine months was 6.3 per cent. Today we have figures from Statistics Canada which indicate that in the first eight months growth was one tenth of 1 per cent. The Prime Minister inflated the figure 63 times.

Could the Minister of Finance stand and, first, repudiate the Prime Minister's figures and, second, indicate to us why, when the figures in July and August indicated that real domestic product was going down and not up, he was surprised by the increase in unemployment in September? Could he tell us why that surprised him, when he is supposed to know that the economy is going backwards and not forwards?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the question is quite argumentative. It does not ask for any information. It simply makes a series of argumentative comments. If the hon. member wants to ask a question, I would be glad to try to answer it.

Mr. Hawkes: Madam Speaker, I asked the minister if he would give the House the real figures instead of the ones the Prime Minister gave us. However, the figures today from Statistics Canada indicate that I am right, and they are there for everybody to see.

MEASURES TO REDUCE UNEMPLOYMENT

Mr. Jim Hawkes (Calgary West): Madam Speaker, I wish to return to the Minister of Employment and Immigration. I am wondering whether the image the Minister of Employment and Immigration had in his mind over the summer was really a

common sense image. When interest rates go up, two things happen: businesses go bankrupt, and there are fewer jobs. The second part of the rhythm is that Canadians need to work harder and more hours to make their mortgage payments. Was this the kind of insight, and can the Minister of Employment and Immigration, in his new role as the economic guru of the cabinet, indicate to us that the budget of November 12 will tackle the high interest rate problem so that there will be fewer unemployed and an increase in the gross domestic product?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out to the hon. member that every member of this government is very active and very strongly concerned about the state of the economy. This is not restricted to any one minister. It is a collective concern we have.

What we are attempting to do is maintain a balance between the obvious need for restraint of expenditures and the need to maintain some stimulus in those areas of the economy which need it most. It goes back to the basic principle this government has put forward of helping those who need help most. In that regard I would point out, as I have many times before to the hon. member, that it was this government which restored the direct employment program which his government had cancelled. There are now over 40,000 Canadians employed in direct employment programs who would not otherwise be employed because of the actions his government took when in power.

* * *

● (1420)

AGRICULTURE

SURVEY OF CONDITIONS IN INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my questions are directed to the Minister of Agriculture. The minister will know that, as the unemployment crisis which my colleague from Calgary West spoke of looms, about three million jobs in Canada are dependent upon agriculture. He will also know that a survey he has had done recently suggests that 48 per cent of one of the agricultural sectors appears to be in serious trouble. This has been supported by literally thousands of letters to the Prime Minister. Others say it is as small a figure as 1 per cent of agriculture which is in trouble. What percentage of agriculture does the minister feel is in trouble? What message has he communicated to his cabinet colleagues? What immediate action can we expect?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have used the very quick survey done by our own people. In addition, we are using the accurate financial statements which have been sent to us. On checking, however, we find that many of these people are only lending their support to those in need. When we asked what financial problems they had, many replied that because they were a chicken producer, milk producer and so on, they had none, but were lending their support to those in the red meat industry, beef first and then pork. All of this evidence is being used in our representations and the discussions we are having and have had with our colleagues who are concerned.

Mr. Gurbin: I am not clear what the minister said, but I think he said he does not really believe there is a problem.

REQUEST THAT MINISTER ACT TO RELIEVE INTEREST RATE PRESSURE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, farmers in Canada are increasingly concerned about the minister's apparent impotence in cabinet, particularly at a time when he is fronting for a government that has a high interest rate policy and constitutional diarrhea.

Some hon. Members: Hear, hear!

Mr. Gurbin: The only federal response we have had so far is an increase in the Farm Credit Corporation rates to 16.75 per cent, and that for funds that are not even available. Will the minister give this House a commitment to relieve immediately the high interest rate pressure on the agricultural economy?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member has made several assertions or accusations as to how many people need aid. He could go to his good friend, the minister of agriculture in Ontario, who says that only 1 per cent of the farmers are in difficulty in that province. I dispute those figures, as I think he does. The facts we have show that there is as high a percentage as 47 per cent in certain parts of Ontario and some parts of Canada who are in grave financial difficulty. Those are the people we want to aid.

I must say the hon. member has made some good suggestions. But he has described certain discussions that are taking place concerning the constitution, and maybe his thoughts are constipated when he talks about what is very important to the economy and the discussions taking place between the first ministers and the Prime Minister today.

* * *

THE MINISTRY

USE OF GOVERNMENT AIRCRAFT BY CABINET MINISTERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Deputy Prime Minister and Minister of Finance. Just before this past weekend the Prime Minister, at a $175 plate Liberal dinner in Toronto, urged Canadians to maintain restraint, and stated that the Liberals were a party of sharing and caring.

Miss MacDonald: For one another.

Mr. Broadbent: Considering that thousands of Canadian families are losing their homes, farmers are in great difficulty, and businessmen are going broke, can the minister tell us why

three federal cabinet ministers, in three separate executive jets, flew to Winnipeg on Friday at a cost of more than $30,000 for fuel alone?

Mr. Epp: It's called restraint.

• (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to ask the Leader of the New Democratic Party whether he thinks it is responsible on his part to stand up in the House of Commons and say that thousands of Canadian families are losing their homes. There is enough fear about the future with respect to high interest rates without making what are totally false statements to the effect that thousands of Canadian families are losing their homes, because that is totally inaccurate.

GOVERNMENT POLICY ON USE OF AIRCRAFT

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister is a past master at avoiding both his responsibilities in this House and answering any question that is put to him. He will not get away with it.

It was a cabinet document, by the way, Madam Speaker, that said up to 40,000 Canadians could lose their homes in the coming year. The minister might have read that document. I hope the minister will deal with the question, in view of the fact that the Prime Minister goes around lecturing Canadians to cut back. Will the government demonstrate that it is concerned? Is it government policy that three cabinet ministers go on three separate executive jets to the same city on a weekend? Will he answer that? Is that the policy? Will he confirm that the present cabinet has set a five-month record in using executive jets for personal travel?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am pleased that the hon. member has rephrased his statement. Now he says instead of "are losing" their homes, they could lose their homes—

Some hon. Members: Oh, oh!

Mr. MacEachen: —under particular assumptions that have been put forward in a document. It is my intention, Madam Speaker, to do everything possible to prevent any Canadian family from losing a home because of high interest rates; that is the policy of this particular government, as stated in the Speech from the Throne.

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, the hon. member asked about the use of government aircraft by ministers going to Winnipeg. I went both to Edmonton and Calgary on the weekend and I used commercial aircraft—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: —both on the way out and on the way back. I think the hon. member wants to be fair and understand the reason that ministers use government aircraft in preference to commercial aircraft. It is when scheduling problems make it impossible to use commercial aircraft. That is the policy of the government. The three ministers who went to the west left at different times and had different responsibilities and different engagements in the west; that is the reason these aircraft were taken.

PROPOSAL TO EXTEND RUNWAY IN MINISTER'S CONSTITUENCY

Mr. Edward Broadbent (Oshawa): Madam Speaker, as a matter of fact, I know that two of the ministers were going to the same meeting and for the same purpose, and could have flown in the same aircraft. Since the minister is making much of his personal virtue—and we know what a virtuous fellow he is—there was a memo dated in June requesting an extension of an aircraft runway in his own riding that would enable the minister to fly in on jet aircraft. This morning I checked to find out if that request is still active. I was told by the Department of Transport officials that that request is still active. Given his great concern for virtue here, will he assure us of two things: one, that he will withdraw that request that would cost the taxpayers some $2 million? Second, will he lay down guidelines for the cabinet as a whole to stop wasteful spending on government travelling, cabinet ministers travelling in jets when they could be going by Air Canada or by other means which would save taxpayers' money?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, at present there are guidelines in operation which were put in place by the Department of Transport. They obligate ministers not to use government aircraft when available commercial flights can be used. These guidelines are observed by ministers. In this particular case obviously commercial airlines could not be used to complete those engagements.

Mr. Broadbent: It is not obvious.

Mr. MacEachen: The hon. member referred to a newspaper comment about the extension of a runway in my constituency.

Mr. Broadbent: It is a government document; it is from the Minister of Transport.

Mr. MacEachen: Let me say that I have been travelling to my constituency for quite a long time. I have been able to do it without the use of a government jet. I intend to do it in the future, but I will not withdraw any request for an improvement to that particular airport because it is a request supported by the municipality, by the town council, and by all business leaders. I do not intend to withdraw any request, not at all.

Oral Questions

REQUEST THAT MINISTERS SHARE SPACE ON AIRCRAFT

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Deputy Prime Minister. I am very glad he is also the Minister of Finance who is supposed to bring in a budget soon showing certain leadership in terms of restraint. As a preface to my question, I wonder, when the minister answers, whether he could say that the reason he flew west commercially is that all other JetStars were already in use. Although the Deputy Prime Minister hopes to be other things some day, I refer him to the speech of the Prime Minister to the Liberal fund-raising dinner in Toronto last Wednesday wherein he said:

> I want to speak to you about the economy, about the challenges it presents, about how a Liberal government responds. In tough times, what is a Liberal, what does he think, what does he do?

On another page he said:

> Liberals believe in caring; Liberals believe in sharing.

My question is along the lines of that of the Leader of the NDP. Does the Deputy Prime Minister think that three ministers, using three government jets within three hours, to travel from Ottawa to the same city of Winnipeg, is an example for Canadians in caring when three ministers cannot share equal space on those three jets?

An hon. Member: Are you going to answer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have decided against it, after deep reflection.

QUERY RESPECTING TRAVEL TO LIBERAL PARTY DINNER IN TORONTO

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question is directed to the Minister of Transport. I assume the minister can assure us that on Wednesday, after the vote here, there were no government jets or planes which flew from Ottawa to Toronto to the fund-raising dinner. If he cannot assure us today, could he let us know tomorrow?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I checked with my office, because obviously we keep track of the use of planes.

An hon. Member: Not very well.

Mr. Pepin: I am sure that none of the planes were used for trips to Toronto for that particular event.

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VETERANS AFFAIRS

WOODS COMMITTEE RECOMMENDATIONS—REQUEST FOR REVIEW OF IMPLEMENTATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Veterans Affairs. The Senate committee just completed a study into the serious problems in the Department of Veterans Affairs. It recommended that "the government appoint a committee composed of officials from both the government and veterans associations to review and update those recommendations of the Woods committee which have not been implemented and to identify, study and make recommendations about the anomalies" which exist in the minister's department. The Woods Committee conducted a study a number of years ago of problems in Veterans Affairs. One of the more serious problems in the department is that it takes five years to process pension applications, whereas it takes only 90 days in the United States. Will the minister be appointing the committee recommended by the Senate?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, as the hon. member realizes, approximately one and a half months ago we engaged the services of Mr. Arthur McCracken to review the administrative and adjudicative process within the Canadian Pension Commission. Part of his mandate is not only to review the process and to consult with people within the commission, but also to meet with veterans organizations to hear their concerns and suggestions. I would certainly want to receive the report from Mr. McCracken prior to establishing any committee.

I might also say that the hon. member made reference to the fact that this study will not be completed until 1983. This is not true. I can tell him that the study is proceeding very effectively. I hope to have a report within the next month.

PRISONER OF WAR PENSIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I fail to see how an authority on the Veterans' Land Act can make recommendations to the pension commission. Also the Senate committee pointed out that there were inequities in the pensions of prisoners of war. When will the minister introduce legislation to stop these inequities? One example is that Dieppe POWs receive only 20 per cent pensions whereas other POWs receive 50 per cent pensions.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, as the hon. member knows, the percentage approved for various categories of POWs was arrived at after fairly extensive study. We recognize the recommendation made by the Senate committee. We are reviewing it. Of course it will be some time before we have a final conclusion on it. At that point in time I would be happy to provide the information to the House.

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ADMINISTRATION OF JUSTICE

ISSUANCE OF WRITS OF ASSISTANCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Solicitor General. It deals with

his statements last week respecting writs of assistance and his intention to press upon his cabinet colleagues reinstatement of writs of assistance on a large basis, and the removal of the moratorium. In view of the fact that writs of assistance provide the holder with extraordinary legal ability to carry out search and seizure without a search warrant, no discretion being provided to the court with respect to the issuance, with no back-up material needed to be filed outlining the reason for the issuance, and no time limit being imposed upon the length of time which writs of assistance are in existence, could the Solicitor General, in all conscience, and on behalf of the government, indicate that it is his intention to ask for the reinstatement of this particular legal device?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I did not mean to speak on behalf of the government. I indicated quite clearly that it was a personal view—

Miss MacDonald: You cannot do that.

Mr. Kaplan: —which I was hoping to take to government; I still do. I would be very glad to come at some proper time before the Standing Committee on Justice and Legal Affairs to demonstrate the benefits in terms of drug law enforcement which would be derived from these writs. I would also want to indicate a great number of safeguards which could be imposed and would be quite acceptable. They would ensure that none of the kinds of dangers which have been spoken about recently in connection with these writs would take place. For example, I could visualize circumstances where, immediately after any entry pursuant to a writ, a process could be gone through either before a judge or some official that would meet or could meet all the standards which apply to writs obtained before the fact.

REASONS FOR MINISTER'S POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the type of writ to which I and the Solicitor General referred has been abolished in the United Kingdom for a considerable period of time. Under the Bill of Rights in the United States it is prohibited. Over the weekend the Solicitor General made a fulsome defence of an entrenched charter of rights. How can he take that position with respect to supporting the principle of an entrenched charter of rights which protects the rights of individuals against the state, and at the same time try to bring forward and press upon the government his concept of the expanded use of the writ of assistance, as he now does?

Mr. MacKay: It is the Liberal way.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I do it because I am gravely concerned about drug trafficking in Canada and because I believe that, as effective as the RCMP has been, the problem, particularly on the west coast, is getting out of hand. Those who are interested in more effective law enforcement in connection with drugs, and the problems with drugs, ought to be searching with me for some additional ways to achieve effective law enforcement consistent with our democratic tradition in Canada on civil liberties.

* * *

• (1440)

NUCLEAR ARMAMENTS

VISIT OF UNITED STATES WARSHIPS TO VANCOUVER HARBOUR

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Minister of National Defence. The minister is aware, of course, that three U.S. warships have spent the weekend in Vancouver harbour—

Some hon. Members: Hear, hear!

Miss Jewett: —including a 71,000 ton aircraft carrier the U.S.S. *Ranger* and a guided missile cruiser. Neither the commanding officer of the *Ranger* nor the U.S. government is willing to tell us whether or not these vessels are carrying nuclear arms. Since Canada claims to be free of nuclear arms and committed to disarmament, can the minister tell us whether or not nuclear arms have been sitting in Vancouver harbour since Friday last?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I would like to tell the hon. member that if I had a chance to be in Vancouver these days I would welcome our American friends.

Some hon. Members: Hear, hear!

Mr. Lamontagne: As far as nuclear weapons are concerned, the defence policy of the Canadian government is well known. We are against any nuclear weapons whatever they are. We do not like to have them on our land and we do not like to have them on our soil. But if someone comes to our country as a NATO ally, as a friend, and being one of our allies, some of whom are nuclear powers, we rely on them for the best credible deterrents that are possible against war. As such, without saying whether they have or have not nuclear weapons, they are always welcome.

TIMING OF VISIT

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in a television interview last Friday in Vancouver the commander of the U.S.S. *Ranger* said it was a matter of concern only to himself as commander and to the U.S. government. He did not mention the Canadian government at all. I wonder if the minister will tell us whether the Canadian government did in fact know whether nuclear arms were aboard these ships. Will the minister also tell the House, when he invited the U.S.S. *Ranger* and the other two ships to spend four days in Vancouver harbour, whether he knew at that time this would be during the United Nations sponsored Disarmament Week? In fact, has the minister ever even heard of Disarmament Week?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the hon. member asks whether we invited our friends or not. If she has friends, she must know that we do not necessarily invite friends to come to our home; they drop in when they feel like it, and we are always glad to have them.

Some hon. Members: Hear, hear!

Mr. Lamontagne: As far as the basic question of the visit of the U.S.S. *Ranger* aircraft carrier to Vancouver is concerned, I cannot give an answer to that because it would be irrelevant to explain the whole policy of defence of the NATO alliance and how we work together toward a deterrent and toward the best way possible to avoid war. If the hon. member were to come to my office I would try to explain all this to her.

Mr. Nowlan: As a friend.

* * *

GARRISON DIVERSION

UNITED STATES FUNDING OF PROJECT

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, my question is directed to the Secretary of State for External Affairs. A week ago last Thursday the U.S. Senate appropriations committee approved additional funding of $4 million for work on the Garrison diversion project. This comes after a statement by the United States Interior Secretary that he is fully behind the Garrison project. Can the minister assure the House that the Government of Canada will seek guarantees that the additional funding will not be spent on parts of the project which could harm Manitoba waters, or that it does not represent a commitment of any kind toward the completion of the entire project?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I thank the hon. member for raising this important question again. It is one that greatly concerns the government and is one which I have frequently discussed with my colleague, the Minister of Employment and Immigration.

The alleged comment of the U.S. Secretary was referred to previously in this House. We have been informed by his office that he did not make any such comment during his visit to the contiguous part of the United States but that a rather careless newspaper headline, which was not reflected in the story, probably gave rise to that impression. We are, of course, concerned about the action of the U.S. Senate committee. We have made representation to them before and we have since discussed the matter with the U.S. government.

The relieving factors at the present time are, first of all, that it is still a decision of the committee and not of the whole Senate and, second, there are some legal problems with it which may mean that, in any event, it may not be appropriate to be attached to an appropriate bill.

Beyond that, there is written into the legislation, at the stage at which it is now, the instruction that it must not be used for any construction which would in any way affect Canada. Of course that is the assurance we are seeking. It is the assurance which the U.S. administration repeated to us as recently as last week.

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CANADIAN BROADCASTING CORPORATION

APPEARANCE OF CANADIAN PIPERS AT EDINBURGH INTERNATIONAL TATTOO

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is addressed to the minister who answers in the House for the CBC. The minister may or may not know that Canada was honoured this past summer by the international military tattoo in Edinburgh, by the adoption of the theme "Canadiana" for the event. He may or may not know either that a contingent of more than 100 Canadian pipers, drummers and dancers from all parts of the country took part in the tattoo and did Canada proud with their outstanding performances.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): That was amply demonstrated by a TV program shown throughout the United Kingdom and the continent, both alive and by rebroadcast.

Madam Speaker: Order, please. Really, this is unreasonable to have such a long preamble to a question.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, he would not know about it, and I had to explain the background.

Will the minister find out why the CBC has refused to carry this TV program, even though it has been offered to them, and even though it is being broadcast widely in the United States and throughout the Commonwealth?

Hon. Francis Fox (Minister of Communications): Yes, Madam Speaker.

REQUEST THAT BROADCAST BE SHOWN IN CANADA

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, at least the minister knows something that he did not know before.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): Perhaps the minister would find out at the same time whether TV audiences in Canada will ever have the opportunity to see this outstanding display of Canadian talent in an overseas setting. In short, it was good PR for Canada, and I see no reason why Canadians should be denied access to it.

Hon. Francis Fox (Minister of Communications): Madam Speaker, once again the answer to the question is yes. The tattoo was obviously a great success and everyone on both sides of the House is terribly proud and impressed with the success of the tattoo. I do not think anyone on either side of the House would want to take particular credit for it. The credit lies with the people who were involved in the tattoo, and I am delighted to send to them my grateful congratulations.

Some hon. Members: Hear, hear!

* * *

CANADIAN ARMED FORCES

POSSIBLE PARTICIPATION IN SINAI DESERT PEACEKEEPING OPERATION

Hon. Allan B. McKinnon (Victoria): Madam Speaker, in the absence of the Prime Minister I will direct my question to the Secretary of State for External Affairs. He may know that a few days ago the Associated Press carried a news story concerning peacekeeping forces in the Sinai Desert which stated, "Canada says it will participate but has not yet been asked."

As this peacekeeping force is not to be under the United Nations auspices but rather under the auspices of the United States, and as it will be a first time, will the minister assure the House that, before these troops are committed, the House will be consulted and will give its approval?

● (1450)

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, first of all, it would not be the first time we have engaged in such an operation and it would not be customary to give any such assurance to the House. At this point we have not been officially asked to participate in the force. Because it is being talked about we have given it some consideration, but I have no further announcement to make at this time.

REQUEST FOR DETAILS OF PROPOSED PARTICIPATION

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I shall direct my supplementary to the Minister of National Defence. Perhaps he could enlighten me as to when we sent peacekeeping forces anywhere in the world under U.S. control.

Referring to these discussions, could the minister tell me how many Canadian troops are involved, and has any thought been given to setting a time limit on the length of time these troops will be employed? Also, will the minister notify our NATO allies that some of our other NATO commitments must be placed on hold during the time our troops are serving under United States control in the Sinai?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I do not remember any time that Canada had a peacekeeping force under U.S. control.

Miss MacDonald: Tell that to Mark.

Mr. Lamontagne: I think most of the peacekeeping forces in which Canada had a part were under the auspices of the United Nations. As to the other details of the question, I ask the hon. member to place them on the Order Paper and I will prepare an answer.

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AGRICULTURE

STABILIZATION PAYMENTS FOR BEEF PRODUCERS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Agriculture. In view of the serious financial problems facing beef producers this fall with dramatically increased input costs and prices reduced, is the minister prepared to recommend to cabinet that a substantial stabilization payment be made to these hard pressed producers, and that this assistance will be announced in the budget on November 12?

Mr. Hnatyshyn: And will he resign if that does not happen?

An hon. Member: Again.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows that finished beef is a commodity about which a recommendation has to be made when the year ends for that product. That recommendation will be made concerning stabilization. I am sure the hon. member knows that the Canadian Cattlemen's Association have recommended, not the statutory 90 per cent of the last five-year average, but 95 per cent or 100 per cent of the last five-year average. If I go that way, I have to have cabinet approval, etc.

Mr. Epp: What is the etc. business?

Mr. Whelan: The other way, just using the statutory 90 per cent of the last five-year average would need no payment for beef. Farmers have had low income over the past four years and unless you move to either 95 per cent or 100 per cent of the last five-year average, it would mean no payment. We are considering that.

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ROYAL CANADIAN MOUNTED POLICE

OPENING OF FIRST CLASS MAIL—REQUEST THAT STUDY BE RELEASED

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General who speaks for the RCMP. The concern in my question relates not only to the invasion of private homes through the use of writs of assistance, which should be abolished instead of expanded, but also to another concern about the invasion of Canadians' first-class mail.

Over a year ago the minister indicated his view was that the RCMP should have the power to open first class mail in Canada. At that time the minister promised to release a study which would justify this demand on his part. Will the minister now release the study, which was done apparently some time ago, having promised to do so after the report of the McDonald commission? Will the minister indicate whether it is his view that the RCMP should have the power to open first-class mail in Canada and, if so, why?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, let me begin by reminding the House that the opening of first-class mail is illegal. It is not being done currently by the RCMP or by any other police authority in Canada.

In so far as a change of policy is concerned, I favour that kind of change. I will be bringing forward recommendations in that area after they have been considered by cabinet. They will be considered in due course with a whole package of other changes relating to the establishment of a civilian security intelligence service.

For the time being, I have no other proposal or plan to put forward on the subject of letter opening. I can continue to assure hon. members that first-class mail is not being opened.

DESTRUCTION OF UNNECESSARY FILES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, with homes being invaded by the RCMP, and with mail being opened, it seems that 1984 is much closer than some of us had thought.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): My supplementary question is also for the Solicitor General and it relates to another invasion of privacy. The McDonald commission stated that 1.3 million files are held on over 800,000 Canadians. The Solicitor General has agreed that some of these should be destroyed. Will the Solicitor General tell the House now how many of these files have been destroyed, and what procedures are in place to destroy all of those files quickly which the McDonald commission indicated should never have been opened in the first place?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, indeed, I have made a commitment to speed the destruction of all files which should not have been opened in the first place. It is a complicated problem. Not the least complication is the necessity of doing it in a way which will satisfy Canadians that the files have been destroyed and that the information is effectively removed from the possession of the RCMP. I am working on that problem almost on a daily basis. I do not have it solved yet. However, I hope to be able to bring forward my thoughts shortly on how this can be accomplished in a way that will be effective and satisfy the Canadian people that it is effective.

NATIONAL REVENUE

MINISTER'S VIEWS ON OPENING OF MAIL

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the seatmate of the Minister of National Revenue has expressed his view that he is in favour of mail opening. I have a question for the Minister of National Revenue. As he knows, there is a report extant in his department that first-class trans-border mail ought to be opened by customs officials in order to intercept the illegal entry into Canada of drugs and other contraband. Since the Solicitor General has expressed his opinion with respect to mail opening, could we have the opinion of the Minister of National Revenue with respect to the phenomena that I have just represented to him in this question?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, first-class mail is not being opened now by customs officers.

Miss MacDonald: What do you mean by "now?"

Mr. Rompkey: There is no intent to change that practice. It is true that illegal drugs and other materials can come in by first-class mail, and it is our responsibility to intercept those materials where they are prohibited. I think we have to do that under the proper guidance of law and with the proper legal authority. That is the practice under which we operate, and under which we will continue to operate.

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COMMUNICATIONS

COMMUNITY RECEPTION OF TELEVISION BROADCASTS TRANSMITTED VIA SATELLITES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of Communications. He has recently announced, as reported in the press, that government policy with respect to the reception of satellite signals through earth receiving stations is that, if done by individuals, it would be legal, and that it would still be necessary to obtain a licence if the signal is rebroadcast either by cable or transmitter by associations and communities. As the minister knows, I welcome that change in policy. I know it was always his view that that should happen. However, has this policy been transmitted to the CRTC, and has the CRTC been instructed to receive applications from communities and associations which operate these earth-receiving stations? In addition, can the minister tell me the reaction of the CRTC?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I thank the hon. member for his question in this regard. He has demonstrated his concern for this issue for some months now. I have not yet announced the policy in question. Our intention of deregulating as far as ownership of TVROs for individual purpose is concerned was gazetted some time last fall. As a result of that notice we received some 12 or 13 representations from various groups across the country. I

took advantage of the latest federal-provincial conference of ministers of communications to consult with my colleague ministers on the federal government's course of action. I expect to be in a position to make an announcement in this regard in the next two or three weeks.

REQUEST FOR RESTORATION OF RECEIVING FACILITIES SEIZED AT FORT ST. JOHN, B.C.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, because of the uncertainty of the government with respect to this particular problem, and because of the questionable jurisdiction under which the CRTC has proceeded to close down certain of these receiving stations—I am making particular reference to the rather autocratic closure of the facilities in Fort St. John, B.C.—would the minister undertake to consult with the CRTC with a view to restoring the equipment that has been confiscated from the people in Fort St. John, a community of 20,000 people, by a criminal law action, and dropping the charges laid against individuals in that community, charges based, as I have said earlier, on rather questionable foundations?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I will be pleased to look into the matter for the hon. member. I understand a cable licensed operator is now in Fort St. John who is able to bring in for the viewing public in that area not only Canadian channels but also the three plus one U.S. channels, which is the prevailing rule of thumb applied throughout the country.

My understanding also is that the cable operation that was the subject of a seizure in Fort St. John, was competing with the cable licensed operator. The hon. member says that is not the case. I will be more than pleased to look into the matter to verify the facts.

* * *

• (1500)

PRIVILEGE

MR. DONALD MUNRO—COMMENTS OF MINISTER DURING QUESTION PERIOD

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a question of privilege. My question of privilege arises out of some comments which were heard on this side of the House during the course of my questioning the Minister of Communications (Mr. Fox). He interrupted some of my comments using language which was highly derogatory to me, language which I consider unacceptable—

Madam Speaker: Order, order. The Chair did not hear any unparliamentary language, otherwise the Chair would have intervened to ask for the withdrawal of such unparliamentary language. Therefore, the point of order or the question of privilege brought up by the hon. member cannot be heard.

Mr. Munro (Esquimalt-Saanich): Madam Speaker—

Madam Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF ANNUAL REPORT ON IMMIGRATION LEVELS

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, under the provisions of Standing Order 41(2) I wish to table the Annual Report to Parliament on immigration levels, in accordance with Section 7 of the Immigration Act, 1976.

* * *

PETITIONS

MR. DOMM—PLIGHT OF HOME OWNERS

Mr. Bill Domm (Peterborough): Madam Speaker, at the suggestion of the minister of housing I have taken the opportunity to meet with 32 families in the Peterborough area. These are not just 32 names, but 32 families who are going to lose their homes. We have carefully documented in my constituency office the names of the mortgage holders, as requested by the minister, the mortgage account numbers and letters from each of the individuals explaining why they are having difficulty meeting their mortgage payments because of high interest rates. I respectfully submit to this House this petition of these 32 real, live families, and I suggest that if these were multiplied by the number of ridings in Canada we would be looking at thousands of people who are apt to lose their homes in the immediate future.

I would also like to tender a copy of the petition to the Minister of Public Works (Mr. Cosgrove) now in his seat so he can immediately start to process these 32 names while the Table officers are processing this petition.

MR. LAWRENCE—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I ask leave of the House to lay upon the Table a petition signed by some 8,300 Canadians who are protesting this government's peremptory decision to terminate VIA Rail passenger service between Havelock, Peterborough and Toronto. These petitioners charge the government with using grossly inaccurate figures to justify killing the service which is moving toward profitability, and for which there is no economic alternative form of public transportation.

Order Paper Questions

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,451, 2,716 and 2,797.

[*Text*]

ROYAL CANADIAN MOUNTED POLICE

Question No. 2,451—**Mr. Neil:**

1. What are the qualifications for male and female applicants to be accepted as recruits with the RCMP?

2. Is there a quota for Anglophone, Francophone and bilingual recruits and, if so, what is the ratio?

Hon. Bob Kaplan (Solicitor General): 1. The qualifications for male and female applicants to be accepted by the Force are as follows: Canadian citizen; possession of valid driver's licence; successful completion of Grade 12 (or equivalent); medically fit; good character; speak, write, read and comprehend English or French; 19 years of age.

In order to be successful in their application, candidates must possess the required attributes or qualities that are considered essential for a career as a peace officer. These are based on a weighted selection standard which provides a means of assessing the qualities of an applicant in a manner which allows the applicant to be graded from most suitable to not acceptable. All applicants who are successful in meeting the established weighted selection standard are placed on a national waiting list. Procedural and engagement preferences are established on a yearly basis in line with the Force's specific needs.

2. The highest priority/preference in 1981/82 will be offered to: (a) bilingual candidates (this includes the language training candidates who possess a useful knowledge of both official languages), (b) female candidates, and (c) native candidates. This policy does not imply, nor is it meant to imply that bilingualism is a prerequisite for entry into the Force. Our national waiting list is maintained in a manner which identifies preferred candidates and these individuals are offered preference for their additional qualifications.

The current participation in the Royal Canadian Mounted Police of those whose first official language is French, is of the order of 13.3 per cent, well below the 29.4 per cent representation found in the Canadian population as a whole. By combining a ratio approximating that of both official language communities in Canada for the federally developed Royal Canadian Mounted Police and that of both official language communities in the contracting provinces and municipalities for the provincially funded Royal Canadian Mounted Police, we arrived at the reasonable first stage objective of 20.8 per cent. The Force hopes to attain this objective expeditiously. This figure represents the minimum needed if the Royal Canadian Mounted Police is to conform with the Official Languages Act. As the number of preferred candidates on the national waiting list is relatively low, in comparison to the large number of candidates available, the proportion of unilingual recruits selected is likely to remain high.

CANADIAN POLICE INFORMATION CENTRE COMPUTER

Question No. 2,716—**Mr. Beatty:**

1. With respect to the Canadian Police Information Centre computer (a) on what date were criminal record synopses first put on line to all terminals (b) how many synopses are currently available and how many are expected to be added each month (c) what sort of information about an individual is kept in the synopses?

2. Are individuals whose records are placed in CPIC's data bank notified of the action and, if so, what procedures are available to them to challenge the validity of the synopses?

3. Does CPIC have plans to expand the categories of data in the data bank and, if so, what are they?

4. In regard to the centre, what regulations or agreements exist with respect to the (a) protection of an individual's privacy (b) type of information that may be entered into the data bank (c) categories of individuals and organizations to whom information contained in the data bank may be given?

5. Since the creation of the CPIC, how many complaints were received of arrests arising from misinformation in the data bank?

Hon. Bob Kaplan (Solicitor General): 1. (a) May 1, 1974.

(b) At this time there are 1,608,661 synopses available with an average of 10,000 added each month. An average of 800 are removed from the system making net average monthly gain of 9,200 entries.

(c) Criminal record synopsis file: Records entered in this file are based on information contained on criminal fingerprint forms filed by the identification services of the RCMP.

Each criminal record synopsis output by the system has a statement "caution this is not a criminal record". If there are no convictions registered for the individual in the criminal record file maintained by identification services, this fact will be identified by a statement in each applicable output record "no convictions". If the record contains juvenile entries, the printout also shows "caution—this response contains juvenile charges".

The data output from the criminal record synopsis file is broken down into four information areas as follows:

(1) The record file number and fingerprint classification of the individual and tombstone data respecting the file itself. Cautionary codes indicating the FPS file contains documentation that:

(a) The subject has been charged with a crime of violence.

(b) The subject has escaped, or attempted to escape from custody.

(c) The subject has a history of mental instability.

(d) The subject has attempted suicide.

(2) The latest available description of the individual, and the date the description was recorded.

(3) (a) The individual's current status in the judicial system.

(b) The date that the identification services file was opened and the date of the last fingerprint form submitted for that individual.

(c) Categories of the types of offences the record subject had been charged with. Offences are categorized as to being offences of violence, robbery, offensive weapons, breaking and entering, theft of vehicles, thefts, drugs, fraud, sex, other criminal code, other federal statutes, failing to attend (bail) and arson.

(4) Names used by the subject of the record as recorded on fingerprint forms received by identification services.

2. No. A criminal record on which the synopsis is based is indexed as a federal information bank, bank index No. 23825, allowing an individual to institute procedures to determine and challenge information contained in the criminal record. Any resulting changes made to the criminal record will be reflected in the criminal record synopsis. Procedures to access and challenge the content of the criminal record are contained in the index to federal data banks available at most Canadian post offices.

3. Yes. Two changes approved by the last advisory committee which are in the process of being implemented to the criminal record synopsis are:

(a) removal of the information outlining the individual's current status in the judicial system, and

(b) inclusion of an additional offence type, i.e., Criminal Code driving offences.

4. (a) Direct access to CPIC files is limited to: (i) the RCMP, (ii) provincial police forces, and (iii) city police and those municipal police forces approved by the CPIC advisory committee.

Currently approximately 2,500 Canadian police units have access to CPIC.

A police force having direct access to CPIC may disseminate information to other agencies legislatively responsible for law enforcement on a need-to-know basis. In addition, the Attorney General or Solicitor General of Canada or the attorney general or solicitor general of a province or territory may approve dissemination of CPIC information to other agencies.

The liaison services branch of telecommunications and EDP directorate, RCMP, is responsible for co-ordinating investigations into complaints respecting violation of CPIC policy and procedures. If the investigation is unable to satisfactorily resolve the identified problem to the mutual satisfaction of all parties concerned, the complaint will be brought before the CPIC Advisory Committee for a decision.

Repeated or serious breaches of established policy and procedures will be referred to the CPIC advisory committee for action.

(b) See part 1(c).

(c) See part 4(a).

5. Our statistics are available only from 1975. To date, five complaints of arrest arising from misinformation in the data bank have been received at CPIC. In most of these cases the person was arrested on a warrant of committal for which the fine had been paid but the courts had not notified the police accordingly.

IRDIA GRANTS

Question No. 2,797—**Mr. Waddell:**

1. From 1967 to 1978, under the provisions of the Industrial Research and Development Incentives Act (IRDIA), were grants given to Imperial Oil or to any of its subsidiaries and, if so, in each case (a) to which company (b) in what amount (c) on what date?

2. Did the Syncrude consortium receive grants under the provisions of IRDIA and, if so, in each case, in what amount and on what date?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): 1. and 2. In accordance with section 13 of the Industrial Research and Development Incentives Act, information concerning recipients of IRDIA grants cannot be divulged.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

Mr. Nielsen: Madam Speaker, I wonder if there is an explanation for the parliamentary secretary not having given us the usual copies of the questions to be answered today. Neither the whip nor myself received the customary copies.

Mr. Smith: Madam Speaker, I was not aware that they had not received it. I will look into the matter and let the hon. member know privately.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO SUPPORT FARMERS

Mr. Charles Mayer (Portage-Marquette) moved:

That this House, noting the disastrous increase in farm bankruptcies, condemns this government for its continuing failure to support Canada's farmers, and its inability to curtail the devastation high interest rates are bringing to Canada's agriculture section.

He said: Mr. Speaker, it is always a pleasure and a privilege to have the opportunity of speaking in this House, particularly

for those of us who have some regard for this institution and a regard and concern for our parliamentary system in Canada. It is a particular privilege for me on this occasion in that it is the first time I have had the opportunity of being the lead speaker on an opposition day. I should like to thank my party for this opportunity which I very much appreciate.

I am also very pleased to have the opportunity to speak this afternoon on a topic that is very dear to my heart, and that is agriculture. This is a topic that is of very real concern to a lot of Canadians. It is of concern for many reasons, not only to us as producers but also as consumers.

Unfortunately I think a lot of us take agriculture in this country for granted, yet whether we like to admit it or not, it is very important to us. I would point out—this has been said many times but I think it bears repeating—that without an efficient agricultural sector in this country we would not be able to enjoy the standard of living we now enjoy. It is well known that Canada and the United States are countries that spend the least amount of disposable income on food.

I see that the Minister of Agriculture (Mr. Whelan) is listening intently. I hope he stays throughout the duration of my remarks because at the conclusion I want to put some suggestions to him on what we can do to improve Canadian agriculture. I know the Minister of Agriculture has quite frequently emphasized the fact that we in Canada spend a very small percentage of our disposable income on food.

Without an efficient agricultural sector in our country we would not be in that position and we would not be able to enjoy such things as the common 40-hour work week and holidays with pay. People in countries like India use upwards of 50 per cent of their total effort to provide food, and they do not have time to do the things we do after supper. Many are out working in their fields and gardens in order to feed themselves. We do have a lot to be thankful for in terms of the efficiency of agriculture in this country.

The agricultural industry is not only efficient in feeding the country, it is also an efficient sector of our economy in earning foreign exchange. We are going to export something like $8 billion in agricultural products this current calendar year, during which time we will import roughly $5 billion in agricultural goods. This means that Canadian agriculture has a surplus as far as our balance of payments is concerned. This is very important in assisting our foreign exchange, the value of our dollar and our interest rates.

It is everybody's concern in this country that we encourage agriculture to not only remain efficient in supplying our food, but to earn as much foreign exchange as possible, and by doing so help our interest rates and the value of our Canadian dollar, and thereby lower the inflation rate.

Agriculture is an all-important sector in our economy. I could go on and give some additional statistics. For example, it is the third largest manufacturing industry in the country. I think I have said enough to make the point. Most people will agree that agriculture is very important and, in many ways, a dominant sector of the Canadian economy.

What has been happening in the last few years? I go back to the time the present minister became Minister of Agriculture in 1968. I see the minister shaking his head.

Mr. Whelan: 1972.

Mr. Mayer: I am wrong; the minister says 1972. I cannot blame him for sins committed before 1972, but there are many to blame him for since 1972. I do not think this will slow us up at all in some of the things we have to say about him later on.

• (1510)

What has been happening since this government has been in power, leaving out the few months in which we had the privilege of forming the government, is that agriculture has been suffering many ill effects. I think we would all agree that the main one today is interest rates. Agriculture is very dependent upon interest rates because it is a large user of capital. One of the ways in which it uses capital is to create jobs. I have some agricultural figures from Statistics Canada for 1979. These statistics point out that the agriculture industry needs approximately $56,000 to create a job. In the manufacturing industry, $37,000 is needed to create a job. This need for capital is one of the reasons agriculture has become very efficient over the last number of years. It has used large amounts of capital to increase its productivity.

Another reason the agriculture industry is affected more than other industries in Canada is that agriculture is the only major sector in our economy that finances itself internally. It finances itself from its own revenue-generating capacity. It does not go into the market like some resource companies such as Imperial Oil or some other large companies listed on the stock exchange. The agriculture industry finances itself by and large from earnings it has generated. It finances itself by going to the banks, credit unions or other institutions such as the Farm Credit Corporation. It borrows money which it has to repay. Other industries finance themselves by going to the market and taking an equity position by selling shares or bonds payable over a period of time. For those two reasons, agriculture is very dependent upon capital.

I point out again, and I hope the minister is listening, that agriculture is dependent upon capital because it is a large user of capital needed to generate a job, and it is very dependent upon interest rates because it generates its own capital and has to repay it from internal earnings.

When the economy is faced with high interest rates the productivity of the agriculture industry is crippled. I have figures from two categories which bear that out. First, interest on farm indebtedness. This is looked at in two ways; proportion of operating expenses and depreciation, and percentage of farm cash receipts.

Statistics from 1956 show that interest on farm indebtedness as a percentage of operating cost was 4.3 per cent. Farm cash receipts as at 1956 amounted to only 2.8 per cent. This 2.8 per cent of total cash receipts in 1956 was used to pay interest on farm indebtedness. Moving forward to 1966, this figure of 2.8 per cent of total farm cash receipts jumped to 4.7 per cent, not

quite double. Moving further ahead to 1976, that figure jumped to 6.7 per cent and in 1980 it went to 10.2 per cent. This year it is estimated it will be 11.3 per cent, almost quadrupled from 1956. This graphic example provides solid evidence why interest rates are having such a devastating effect on the farming community.

Turning now to farm indebtedness as a proportion of operating expenses, the figure rises from 4.3 per cent in 1956 to an estimated 14.1 per cent this year. This percentage of their operating costs has also quadrupled. I am sure many other industries, including small businesses, are in a situation similar to that of the agricultural industry.

The last three years have been especially devastating. Farm costs have risen dramatically faster than income. For the year just completed, as far as farm statistics are concerned, operating costs have risen 15 per cent. This certainly is higher than the inflation rate and is higher than the increase in income. The increase in income, taken as a total, was only 9 per cent. Some sectors in the farm economy, particularly in the meat industry, such as pork and beef, have had a decrease in income. As a whole, incomes rose 9 per cent last year whereas costs rose 15 per cent. That should be of concern to us all.

The lack of ability to increase productivity affects the standard of living of all Canadians and our balance of payments. For example, the cattle industry—and my hon. friend from Medicine Hat (Mr. Hargrave), a well-respected spokesman for the industry, will elaborate on this later—is particularly affected by interest rates. Looking at interest costs as a factor which the consumer has to contend with, the average price of meat to a consumer over the counter is $2.80 a pound. Of that $2.80, 60 cents is attributable to interest charges. That 60-cent figure is a result of the producer owning the animal only. It does not take into account the cost of land or the cost of machinery. That is simply the cost of owning a cow for a year and owning the feeder for a period of time suitable to get that feeder to market weight. If we add the cost of land, machinery, depreciation and some other costs associated with buying feed and caring for the animal before it is sold, I suggest that cost would probably be twice as much as 60 cents a pound.

When the consumer today buys a pound of beef at the average price of $2.80 per pound, I suggest that $1.20 per pound is attributable directly to interest costs. Not only does that figure affect consumers now in terms of the amount of meat they are able to buy, it will affect them in the future because the cattle farmers have to risk borrowing money for a period of six months or a year, the period of time necessary to produce a beef animal for sale. The interest cost can become very high.

Ontario is in as much difficulty in some ways as any other province in the country as far as beef production is concerned because this is where a large percentage of the feeding industry is located. Ontario is a highly productive province in terms of producing feed but it imports a lot of feeder cattle from western Canada. We are glad to have that market. What has happened over the past year, and I am sure the minister is well aware of it, is that rather than these cattle producers risking the cost of producing beef, they are simply cutting back on production. The result is that the consumer is not only paying $1.20 in indirect interests costs but there will be less beef available.

Producers are going out of business for no other reason than that they simply cannot meet increased interest costs. This should be of concern to the government because of its past policy of maintaining a cheap food policy for this country.

• (1520)

Let me talk for a moment about the 60 cents a pound which is the direct cost. The only cost that is used in that 60 cents a pound is the cost of simply owning the animal for the period of time it takes to get it to market. That figure for 1978 was 28 cents a pound, so in two years we have seen more than a doubling of interest costs associated with owning an animal for the period of time it takes to get it to market. That is a direct result of this government's high interest rate policy.

The minister talks about some of the things which need to be done for Canadian agriculture. It would be very interesting to see him use some of those figures to show how they have affected the consumer in this country and why we have some of the increased costs associated with agriculture and food. If the minister were honest and straightforward about it, he would have to admit that they are the result of his government's supporting the high interest rate policy of the Bank of Canada. It has been mentioned to me many times that some of the producers in this country would almost sooner see Al Capone at the head of the Bank of Canada. They think producers probably had an easier time, as far as interest rates are concerned, in the thirties than under the present governor, and this government is supporting that kind of policy. If we were to bring back Al Capone, we might be in better shape as far as interest rates are concerned.

That makes the point as to why many of us in agriculture and in small business think it is a complete fallacy to try to fight inflation simply by using high interest rates. As I pointed out, high interest rates affect the consumer not only directly in the interest cost he pays to the marketplace, but they also affect him down the road because there will be less production as a result of producers choosing not to produce food.

To talk about bankruptcies for a minute, we have heard much in the past number of months about farm bankruptcies. I can give figures on farm bankruptcies; I think we all can. They are up 147 per cent over 1979. They were up 25 per cent in the third last quarter. The point has been made many times before—and it needs to be made again—that bankruptcy is only part of the picture. It is only the tip of the iceberg. This is to say nothing about people who choose to cut back on production. It is to say nothing about people who choose not to get into business. It is to say nothing about the small farmer who would like to expand and get away from working part time at a job off the farm and become a farmer full time. It is to say nothing of the terrible consequences for a young farmer who is starting up. I have had many conversations with young

farmers in my riding who talk about the concerns they have and why they think it will be very difficult for them ever to start farming. Simply to talk about bankruptcies is not really giving the total picture at all.

The Minister of Agriculture wants to attack the banks. I have here an article from the Brandon *Sun* of last Wednesday.

Mr. Dinsdale: A great paper.

Mr. Mayer: The headline is "Whelan unleashes attack on banks and farm leaders." I do not think the minister gets results by attacking banks or farm leaders. We would very much like him to come forward with policies everyone could support. I quote from the article as follows:

> And he lambasted farm organization leaders, saying it is "about time they came up with some good suggestions for helping farmers."

Surely as Minister of Agriculture it should be his job to come up with suggestions and try to implement good suggestions in order to help farmers. Those of us on this side of the House who care about agriculture have made many suggestions in the past on how to help farmers, but there has been no indication that this government is even willing to look at some of the suggestions we make. And we will make some constructive suggestions today before this debate closes.

One of the things which concerns us about banks and about what is going on today is the spread between the bank rate and the prime rate. In March of 1980 when the bank rate was floated or tied to treasury bills and announced every Thursday afternoon, the spread was 1 per cent. That spread increased to 2.8 per cent in July of 1980. It dropped back very briefly to under one half of 1 per cent in November of 1980, but in September of this year the spread between the bank rate and the prime rate—when I refer to the bank rate I mean the rate set by the Bank of Canada each Thursday—was over 2 per cent. It rose to almost 2.5 per cent in October, and presently the spread is 1.79 per cent. The prime rate today is 20 per cent and the bank rate is 18.21 per cent.

Many of us feel that the Minister of Agriculture or, for that matter, the Minister of Finance (Mr. MacEachen), could be putting some pressure on the banks. The Minister of Finance says the banks should bleed a little bit. He could be putting some pressure on the banks to lower their prime rates. If we had a prime rate 1 per cent above the bank rate prior to the floating of the bank rate, then surely to goodness we could expect something like that after the bank rate was floated. I suggest that there is room for the minister to go after the banks and try to get them to reduce the spread between the Bank of Canada rate and the prime rate. Incidentally, the prime rate is a rate at which very few people, if any, borrow at in this country.

I see that my time is going by quicker than I would like. This is a broad topic which could occupy a lot of time. However, I would like to make some suggestions to the minister as to what we could do to help Canadian agriculture. First, perhaps I should talk about some of the things the New Democratic Party has been doing.

Mr. McCuish: That won't take long.

Mr. Mayer: I suppose that would not take long because they have not been doing much, as my seatmate points out. I have to agree with him.

Mr. Deans: It lets you know you don't have much to talk about, right?

Mr. Mayer: It annoys me that we have not heard much from them about agriculture, but this past week I did hear from the NDP spokesman on agriculture, the hon. member for Broadview-Greenwood (Mr. Rae), who was appearing before the Ontario Federation of Agriculture task force on credit and interest rates. I do not know whether he is a distinguished farmer or whether he has changed his profession. It seems to me that the only real connection he has with agriculture is the fact that "green" is part of the name of his constituency. Other than that I do not think he is very much of a distinguished farmer. In fact, I doubt if he would know which end of an animal to look at to see what sex it is. In any event, one of the things he said is that the government should give more money to the Farm Credit Corporation.

That is only part of the problem. I do not think the solution to agricultural financing is simply to make more money available. After all, money has to be paid back. We would much sooner see policies implemented by the government which would allow farmers to be proud of their occupation and able to produce to their potential, and earn money so that they could generate more capital and expand.

As a member of the cabinet the minister has it in his power to recommend to the cabinet, first, that Canadian Wheat Board cash advances be increased. They were implemented in 1957 and 1958 and were set at $15,000. That was almost 25 years ago, and the advisory board to the Canadian Wheat Board has suggested that those cash advances be raised to $50,000. Whether or not the minister chooses to support that figure, I think it should be amply evident that a figure set at $15,000 in 1957 and 1958 and not raised since could certainly be looked at in terms of raising that cash advance level. That would certainly help many young farmers.

I have spoken with people in my constituency—I am sure we all have—who are very concerned about their cash flows. They have grown good crops and, in some cases, crops which would more than allow them to meet their commitments for the coming year. However, because of their cash flows and their inability to sell their grain, they are in very real danger of not being able to survive for another year. They would very much like to see cash advances increased. That would help them very much, but that is something which would have to be done by this government.

As I said, that recommendation came from the advisory board to the Canadian Wheat Board. It has come from many farm organizations across western Canada, and we have heard no reaction at all from this government. If the minister wants evidence of the fact that farm cash advances are being used, in 1980 there were slightly more than 15,000 applications for cash advances, and the total amount in cash advances given to the 15,000 producers was $61,640,000. The number of appli-

cants this year is up to 28,155, which is not quite a doubling of the number of applicants. I received these figures this morning from the Canadian Wheat Board. The value of those cash advances this year is $205,795,000. There has been not quite a doubling in the number of people applying for cash advances, but more than triple the amount of money has been applied for. Farmers are making use of it. If the minister is interested in getting some cash into the hands of producers very quickly, one thing this government could do would be to raise the ceiling on cash advances.

● (1530)

As I pointed out, for some producers, particularly the younger ones starting up—and this may sound foolish in terms of good business—cash flow becomes more important to them than price. The ability to generate money now is very important. If the producer has to wait three or four months for the sale of the majority of his crop, he may not be in business when he has the opportunity to deliver his crop. That is why I say in some cases cash flow becomes more important than selling price.

I would like to see the minister do something to increase the potential to produce in this country. I talk here of western Canada. There are approximately 90 million acres of arable land presently being farmed in western Canada by approximately 150,000 producers. If you do the arithmetic, you find very quickly that Canadian farmers have more arable land under their control as individuals than any other farmer in the world. Therefore, there is a responsibility to make the best use of that land. It should be the responsibility of this minister to ensure that we can produce to that kind of potential.

As I said, the hon. member for Medicine Hat will elaborate on suggestions with regard to the Agricultural Stabilization Act as it applies to beef. I will leave that to him. I would say everyone is in agreement that the federal government needs to show some leadership with regard to harmonization of provincial stabilization programs. We do not need a change in the Constitution to do that. All we need is courage and leadership on the part of the federal government. To date that has been sadly lacking.

Many of us in this House have made suggestions with regard to the small business development bond. As I said on another occasion when speaking in this House, the conditions under which the small business development bond is made available should be liberalized. It should be made available to unincorporated businesses for financing other than new purchases, for lines of credit, used machinery, expansion of buildings by small business and so on. That would help.

There should be no reason why that cannot be done. Some two months ago the Bank of Montreal suggested to the government that it was prepared to do that, pending the government changing the legislation in order that that could be done. However, I see no indication that the government is going to take up the lead.

The government should talk to the banks, instead of shouting at them as a headline in the Brandon *Sun* indicates, and encourage the banks to have fixed rates of financing for production periods. If a farmer growing crops could have a fixed rate of interest over a production period of six or eight months, it would assist him in planning. It would remove some of the risk from the operation as far as calculating interest costs is concerned. There are some things the minister could do with regard to talking to the banks. We would all support him in that. We would be very interested in seeing this happen.

I do not know how long the Outlook Conference has been in existence. I attended the conference before I had the privilege of sitting in this House. Many have come to refer to it as a look-out conference. That is truly what it is. It is not a question of outlook but how we should look out to stay in business for another year.

That conference usually follows the American outlook conference which is on this week in Washington. In the past it has been largely a one-way communication with the government presenting papers to producers. I think the conference could be expanded in terms of the situation in agriculture today. The conference could go an extra day and there could be some workshops. There is an opportunity to gather together farm leaders from across the country where they could sit down and really talk about the problems of agriculture. They could try and find some solutions rather than the conference simply being a social gathering. Rather than the people just coming together, talking in the halls and having papers presented by the government, there could be some input from the industry. That is something that could be looked at.

Along with several of my colleagues from this House and the Senate, I had an opportunity about ten days ago to attend a meeting in Washington. We met concerning international wheat pricing arrangements as far as Canada and the United States are concerned. I very much appreciated that opportunity.

Something I found very disheartening was a statement attributed to the minister responsible for the Canadian Wheat Board who sits in the other place. He pointed out that this meeting between Canadian and American legislators would not amount to anything because it did not have official government sanction. That was a deplorable statement by the minister responsible for the Canadian Wheat Board, and therefore responsible for a large number of Canadian grain producers.

At the meeting we found areas of concern which affected both of our countries in terms of cost of production, our potential to produce and the market conditions we operate under internationally. We certainly reached many conclusions. I hope this minister will not have the same attitude toward that kind of dialogue and possible solutions to problems in grain marketing that his colleague, the minister responsible for the Canadian Wheat Board, displayed. If the minister responsible for the Canadian Wheat Board really had the concerns of the agricultural producers at heart, he would not be making fun of such a meeting beforehand, saying it was of no consequence because it did not have official government sanction.

I hope that when the Minister of Agriculture replies this afternoon, he does not do what he did on June 3 last. He spoke

for 40 minutes, talking about everything under the sun except interest rates. We all know that interest rates today are the major factor in Canadian agriculture. They threaten its viability in the long run.

I wish to repeat a story that was told to me some time ago. It made the point that the only difference between North America and South America as far as stability of government is concerned is that South America was settled on the basis of land barons and serfs. As a result, South America does not have the same kind of stable conditions as far as government is concerned. Nor do they have the affluence we have in this country.

If interest rates make things very difficult for a young farmer, or if we condone interest rates which prevent anyone who wants to own a house or private property in this country from doing so, there is a very real danger of the kind of situation which they have in South America occurring here. I refer to the situation where many countries change governments by revolution rather than election. With this minister supporting the Bank of Canada and the fight against inflation and his colleague the Minister of Finance through high interest rates, he is pushing this country toward that kind of situation, and it will be very difficult, if not impossible, for young farmers to get started in agriculture.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I apologize to the Conservative member who just finished speaking. I am not a farmer. I had not realized when I came to the House of Commons that you were only allowed to speak about things you had absolute direct and personal knowledge about. If that were to be the case, there would not be very many speeches made by anyone in this House.

I suggest it is appropriate for members to speak about matters that worry them. I am vitally concerned about what is happening to farmers in Canada. The motion before us today ought to motivate more members to rise to their feet. There is a serious problem that hits the farming community and other related communities which has to be dealt with by this government and dealt with forthwith. It is about that that I want to speak this afternoon. I hope I do not offend anyone with my lack of knowledge, although I suspect I could find which end of the animal to look at to find out which sex it is.

The motion before us states the obvious. There is a distressing increase in interest rates for farmers as there is in interest rates generally. We condemn the government not only for this distressing increase in farm interest rates, but for its inability to come to grips with the interest rate problem in general.

The problem that concerns by far the vast majority of Canadians is compounded by the fact that farmers must rely so heavily on their borrowing capacity to see them through from one season to the next. The government will not only have to take a long, hard look at the short-term impact as evidenced by the high and ever-increasing numbers of bankruptcies that are taking place within the farming community. The long-term impact of high interest rate policies require farmers to delay unnecessarily the purchase of replacement machinery. This has affected the machinery manufacturing sector. The long-term cost is felt not only by the farmer and the farm machinery manufacturing sector, but by the community at large. It is the consumer who over the next four or five years should buy the machinery but who cannot afford to buy it. These delays mean that farmers must continue to use machinery that will become obsolete. In the case of the farmer that obsolescence results in an inability to meet production requirements, the cost of which in the long run is on the consumer in Canada. It is to that end I wish to speak.

• (1540)

Many people tend to isolate groups in society and try to deal with them in a segmented way. They talk about farmers as if their problems are quite unique and they do not in any way impact on anyone else. They will then look at the situation in the consumer area, outside of the farmer, and try to make it look as if that group can be dealt with separately and apart from the other.

I do not happen to believe that is the case. I think what we see happening in the farm community is what we see happening in the small business area and throughout most of Canada's manufacturing and producing sector. What we will have in the long run is an undermining of the stability of the economy. If that undermining has not already taken place, it will certainly take place in the not too distant future.

I should like to deal with some matters that I think are of vital importance. First of all, I want to suggest it is of some significance that today we see the Massey-Ferguson Industries Limited of Brantford, along with a number of others, cutting back on their work force. Why are they cutting back on their work force? It is because the farmers of Canada cannot afford to undertake the cost of replacing the machinery that should be replaced during these years. They cannot afford to carry the burden of indebtedness that the replacement undoubtedly will bring. The end result for Massey is that the lay-offs are significant.

It is not only in Massey that the lay-offs are significant. I was reading an article with some interest in *The Globe and Mail* by Kevin Cox that had a dateline Hamilton. He said:

> More than 30 per cent of the farm machinery dealers in Ontario will go out of business in the next six months unless farmers get a break from high interest rates, a Simcoe-area equipment distributor predicted yesterday.

He is quoted saying:

> "Nobody's buying a thing and I can't blame them," Robert Laning of Laning Farm Equipment Distributors told the Ontario Federation of Agriculture task force on the farm economy.

Mr. Laning went on to say:

> —many of Ontario's 400 dealers are in serious trouble because farmers can't afford to buy new equipment at interest rates of more than 20 per cent.
>
> There have been lay-offs throughout the farm supply industry, and "if something isn't done to lower interest rates, we'll see businesses go under. Even with a good equity position, paying $3,000 to $4,000 a month in interest is a bit much."

This is clear evidence of the spin-off effect of high interest rate policy being followed by the government. The government systematically has informed this House and the public of

Canada that the high interest rate policy is intended to reduce inflation. Both major political parties, but primarily the NDP, have said that, in fact, the high interest rate policy pursued by the government through the Bank of Canada has been adding to inflation and has undermined the economic stability of a significantly large sector of the economy. If the Minister of Finance (Mr. MacEachen) were here he would understand that when we say thousands of people have been forced out of their homes, we mean thousands of people have been forced out of their homes. Anyone with half a brain would understand that is a truism and a fact in Canada.

This is now having an impact on most small businesses because farmers are delaying purchases that should be made. Because of that delay it is, therefore, impossible for the manufacturers and dealers to maintain their position in society. It is also causing untold hardship on the farmers because they must carry high inventory. It is also causing hardship for those who must borrow the money and must pay the 16 ¾ per cent in the one case, or the 20 or 22 per cent in the other case, depending upon the reason for borrowing the money. There is no opportunity for those people to realize sufficient return on investment and sufficient return from the sale of the produce or livestock so as to maintain their position.

I was interested in noting at this self-same Ontario Federation of Agriculture task force hearing that one of those who made a submission said:

> "I resent the fact that I produce beef and pork for 1,500 people a year and I can't make a living working more than ten hours a day," said Lyle Peters, a Guelph-area pig and beef producer.
>
> Mr. Peters said an interest rate of more than 20 per cent on a loan of more than $200,000 left him and his wife with only $6,000 to live on last year, and they had to buy their clothes at a second-hand store.

It is almost unbelievable, Mr. Speaker, that a person put in the position of having to borrow $200,000 to maintain a pig and beef operation and who was running what was a viable farming undertaking should find himself and his family, after they have paid back their loan and sold off their produce, left with $6,000. It takes a bit of understanding to appreciate that that can happen.

Mr. Crawley, head of the Wellington County Federation of Agriculture, went on to tell the task force that he borrowed $500,000 to finance his hog operation. He said:

> If interest rates continue at more than 20 per cent and pork prices do not improve, we will be bankrupt in two years.

I do not think you can put it any clearer. I do not think anyone can write it any better. I do not know how you can say it in clearer terms. The farmers in Ontario whom I am addressing at the moment, but also farmers right across the country, are faced with the most severe financial hardship. They are asked to continue to produce for the needs of the consumer, while at the same time they are expected to carry indebtedness far beyond their ability to realize a return on their investment. The impact of this undoubtedly will result in a further increase in the numbers of bankruptcies that will take place. If we do not keep a viable farming community in Canada, we know we will eventually be at the mercy of those who will maintain viable farming communities in other parts of the world.

That is the biggest worry for those who look into the future. As you see fewer and fewer viable farms, the food supply needs of Canadians will ultimately be filled by farmers elsewhere. And at what price? What will we have to pay in order to get what we must have to put in the stores in order to feed the people of this country if we are not prepared now to take the kind of action that will guarantee the viability of the farms that currently exist? What will it cost us in terms of dollars that will flow out of the country to produce for our future needs? Is it worth that potential sacrifice in years to come, when you measure that against the cost of providing for farmers' loans and financial assistance at a price they can reasonably afford?

In the present circumstances certain parts of society have to be subsidized. It is absolutely essential. Farmers are not asking for subsidies; they would rather stand on their own two feet. Until we are able to receive sensible financial and fiscal policies from this government, then in the short run it is obvious to me we will have to guarantee the farmers, who must purchase today in order that they can produce tomorrow, will have access to the money they need and at a price they can afford to pay from the sale of their produce.

• (1550)

That seems elementary. I say to Conservative members that they do not have to be farmers to understand it. It is elementary economics. Perhaps it is too elementary for the government. It is common sense. This is something which seems to be lacking in the policies which are being brought forward by the government during this period of time.

Of course, we hear statements that farm incomes have risen. I read with interest the other day that farm incomes have risen. If one reads this and reads no further, one gets the impression that the farmer is doing better this year than last year. It does not tell one that it is talking only about cash receipts. It is not talking about net incomes. It is not talking about the problems incurred by farmers trying to meet additional costs which are a result of high interest rates, high fuel costs, high transportation costs and high feed costs. These costs must be paid out of the increasing receipts.

Last week Statistics Canada released a preliminary net farm income figure for 1980. It showed a shocking decline of 30 per cent in the province of Ontario in net income and 27 per cent in total net income. These figures were for last year. Ontario is second only to Manitoba. In Manitoba the size of the decline in net income was an astronomical 77 per cent. Even if there were a marginal increase in the nine-month period of 1981, when it is measured over and against the dramatic decrease in 1980 it is virtually impossible for the farmer to maintain his position of 1979.

It is to this end that we must address ourselves. Farming in Ontario and across Canada is suffering a cost-price squeeze which is unprecedented in our history. Everyone understands that never in history has it been possible to go broke so big and

so fast in this country. The figures on the cost of interest on indebtedness are good indications of the problem. In 1978 in Ontario the cost of interest was $253 million. By 1979 it had increased to $374 million, which was a 48 per cent jump in the cost of indebtedness. Debt charges rose last year to $465 million, which was an increase of another 24 per cent over the previous year. Over all there has been an 83 per cent increase in the amount of indebtedness and debt charges on indebtedness in the last two years. This year when interest rates really took off, we can imagine that the cost of borrowing to the farmer will be something in excess of $600 million. That is equivalent to the total net income for 1980. There is a very serious problem here.

I listened to the Minister of Agriculture (Mr. Whelan) as he travelled around the province expressing what I do not doubt for a moment is his genuine concern. But there comes a time when an expression of concern is no longer enough. There comes a time when people expect results. They do not expect a further pat on the back with a vague promise of help in the future. They expect to see some tangible results from the efforts of the minister. Today they want to see some government commitment. They do not want to hear a statement by the minister that he will try or quit. They want a government commitment that it recognizes the value of the farming community to the future of the country and that it is prepared to take the steps necessary to ensure that the costs I have just enumerated and the burden about which we have been speaking will no longer have to be borne by this vital sector.

Let us look at the problems. For example, in Ontario 112 farmers went bankrupt to the end of September this year. This figure compares with only 15 farmers in the province of Saskatchewan. The difference is in the nature of government. The government of Saskatchewan put in place measures to assist farmers, while the government of Ontario failed in its obligation to protect farmers in areas where protection could be undertaken. The problem is neglect not only by the federal government but in many instances by provincial governments as well.

There are some measures which must be taken by the Government of Canada, and they must be taken now. Perhaps a week or two ago—and we have said this for the last seven or eight months—we said that some action had to be taken to assist home owners. I think the message has gotten through, but I am not sure whether the answer is forthcoming. Certainly the message is that home owners in Canada are not prepared to accept the piecemeal policy the government has offered over the past. They will not tolerate being left at the mercy of Canadian banking institutions. The federal government had an opportunity to play a role in the Farm Credit Corporation, but it has not lived up to its obligation.

The Conservative member who spoke previously said that it was not the only answer. Of course it is not. No one expected it to be the only answer. It is a sad commentary when the month of September arrives that the Farm Credit Corporation does not have any money in the province of Ontario to meet the needs of Ontario farmers when they apply for loans. It is even more of an indictment on the government that, at a time when farmers are undertaking a debt load far greater than they could ever be expected to recover from the marketplace, the government has approved an increase in the interest rate of the Farm Credit Corporation to 16.75 per cent.

I do not doubt for a moment that there is some element of truth in the rumours circulating on Parliament Hill that the Minister of Agriculture will certainly quit if his own government does not respond.

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

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the motion put forward by the official opposition alleges in the form of an argument that the government has failed to support Canadian farmers. I think it is about as far off the mark as any comment could be. It would be fair to say that no government in Canada has ever provided the kind of support to the entire agri-food industry which has been given during my term as Minister of Agriculture.

Some hon. Members: Hear, hear!

Mr. Whelan: It would be remiss of me to go over all the things we have done for agriculture since 1972, but I will try to put a few on record. Under this government the Agricultural Stabilization Act has been amended to increase the percentage of pay-out when prices fall below the five-year average and to bring more commodities under the stabilization program.

The hon. member who led off the discussion today told us to provide leadership. A former member of this House who was also a former minister of agriculture for the province of Alberta stated the same thing in a report that he was commissioned to bring forward by the province of Alberta on the subject of beef marketing and some other aspects of agriculture in that province. I refer to Dr. Hugh Horner. He said that we failed to give leadership and he spoke about more money for stabilization, as did the hon. member who just spoke for the New Democratic Party.

• (1600)

In 1977 we proposed and got cabinet approval to present 100 per cent harmonization of stabilization to the provinces and farm organizations. That is 100 per cent of cost of production. We were turned down on the grounds that it was a wild dream of mine to provide that kind of program and that kind of income. They felt it would cause an oversupply of products in Canada. They did not think it was needed in agriculture so they turned it down. We could see that, Mr. Speaker. I do not think you have to be a great economist to see it. A blind man on a galloping horse could see some of the things that were going to happen in some agriculture industries. I think particularly of the red meat industry where there is a big problem today. I see the hon. member for Medicine Hat (Mr. Hargrave) in the House and I am sure he will cover that subject in detail when he speaks.

The groups that are in difficulty today are those that depended on that great free market system that was going to take care of them. It has taken care of them in the way the black sheep does in the slaughter house. Before he goes into the slaughtering pen he detours and all the others following him go to slaughter. That is what has happened to many, many people, especially young people in the beef industry.

When we speak of stabilization we should remember what has been done for hog producers in 1980. Payments totalling $112 million will go out to hog producers; indeed, practically all of that money has been paid out already. Some of the provinces are what we call "piggybacking" that program and the total pay-out to hog producers for 1980 will be $200 million. That will go to a very efficient group of producers who run a very inefficient marketing system.

The spokesmen for the New Democratic Party and the official opposition used sweeping statements about the agricultural industry but they know as well as I do that it is not the total agricultural industry that is in trouble; only those people who operate outside some system that the farmers set up and run themselves to market their products are in the difficulty that we all know about at the present time. Many efficient areas of agriculture are not in financial difficulty today and are able to pay their bills. Their cost-pricing formulas use interest rates, taxes, energy, etc. when they set a price for the product and as a result they are not experiencing any difficulty. People who depend on the buyer saying "I will give you so much for your product, take it or leave it," are in difficulty, especially if their product is perishable.

The red meat industry, both beef and hog producers, is a very important part of our agricultural production. Beef producers are probably in the worst position, but that was brought on mainly because of overproduction of pork. People bought the cheap pork product. Not as much beef was sold and so the buying power of the producers declined. The same thing happened in the United States.

The hon. member opposite said that I should speak about interest rates. I think my officials have been fairly accurate in calculating what happened when American cattle came to Ontario and took over about 25 per cent of the market for about four months. Mr. Speaker, we could have given them interest-free money for their whole operation at that time and they still could not have made a buck, because the market was depressed as the result of importation of big, cheap, fat cattle from the United States. Many people contend that we can compete with that system but, Mr. Speaker, when they have a production machine that is geared to feed 240 million people and 2 per cent of their surplus is sold to Canada, which has a machine geared to feed 24 million people, the machine gets plugged up. That is not a managed supply, Mr. Speaker.

In other production areas farmers have taken the initiative and looked after themselves, whether it be through a provincial marketing system or a federal marketing system under the jurisdiction of the Department of Agriculture and the National Farm Products Marketing Council—which only include dairy and poultry products—plus the Canadian Wheat Board which is under the jurisdiction of another ministry. It was set up in 1935 to provide some order in the marketplace for grain. Order in the marketplace is the most important thing because it ensures that the market can absorb the product and that it will not be piled up in the hope of selling it.

The hon. member who spoke for the opposition put on record how many millions of dollars farmers receive interest free from advance payments for grain. Listening to him, one would think that no such program was provided for anyone else. The estimate of applications from the Canadian Wheat Board and for producers of perishable crops will amount to about $255 million interest free. Close to $500 million will be lent by the Farm Credit Corporation and until October 1 the interest rate was 14 per cent, which was highly subsidized, and even at the present time it is being subsidized by about 6 per cent. Today, anyone who can obtain a mortgage pays approximately 21.5 per cent or, if they are lucky, perhaps 20 per cent.

There is still a tremendous amount of assistance available to farmers through government programs, Mr. Speaker. If there is a good marketing system, then I do not think tremendous sums of money are required for stabilization programs. The poultry industry has not received a penny of tax dollars since 1972 when I became minister. They run a fairly healthy industry and they run it themselves.

Stabilization programs will be announced as they are needed. They will provide income support to farmers to help them remain in farming and run a viable business. Since 1958 the federal government has paid out nearly $4 billion in stabilization payments. This is similar to what was offered to farmers for other commodities but no province or farm organization took it up. No farm organization said it was something they wanted; they condemned it but it was similar to the Western Grain Stabilization Act with a contribution by producers and a contribution by the federal government. In the case of the Western Grain Stabilization Act the ratio is two to one. It has been suggested that a similar program be set up for hog stabilization involving the producers, the provinces and the federal government. For four years we have been trying to get agreement for such a program but it has not come about yet. I have stated that I would go ahead with a hog stabilization plan similar to the Western Grain Stabilization Act involving the producers and the federal government. It would be a voluntary type program.

The benefits to western Canada of a program like the western grain stabilization plan are difficult to estimate. Indeed, it benefits all Canada. It is not just that $360 million has been paid out since the inception of the plan; the real benefit has been the confidence instilled in the grain industry. It has allowed farmers and all types of agri-business in the west to plan for the future in an orderly fashion.

The same type of stabilization program is under discussion at the present time for hogs and I am sure it will eventually apply to other agricultural commodities. I have already mentioned that we had proposed this to the provinces and to farm organizations in 1977. They have very short memories but I do not comment, Mr. Speaker. I remember what we proposed.

One province went ahead and put the program into effect. That Province was British Columbia. There are less bankruptcies in the agricultural sector in B.C. than in nearly every other province. That does not mean it has eliminated the problem, but the program we offered superseded everything they produce, other than for cow-calf producers. We said we were willing to negotiate that item with the other provinces, even with the province of British Columbia.

• (1610)

In the past we have suffered from a balkanization of the industry as a result of a variety of provincial stabilization programs. While I can sympathize with the desire of the provincial governments to help their farmers, I think it is important that agriculture is treated equally across the country. In a newspaper editorial I was lambasted because they did not understand what equity and equalization meant. The rich provinces with tremendous resources in their coffers can bring forward programs to assist producers, whereas the have-not provinces do not have those resources, and their producers compete in a very unfair fashion. The inequality that exists between us is terrible. Some provinces have money to pave every road, to provide natural gas, to provide loan programs and subsidize interest rates. For instance, under loan programs in Alberta farmers are getting up to $600,000. When the interest rate is figured out, it amounts to about 6 per cent for that special group of farmers.

Mr. Hargrave: There is no cattle program in Alberta.

Mr. Whelan: The hon. member knows where they are getting the money. They are using some of the money from the heritage fund.

Mr. Hargrave: No.

Mr. Whelan: Then there is that great free system in Alberta called the Alberta trust. That is their banking system. It is owned by the government of Alberta. I must say they are distributing some of the surplus earned on high interest rates in fair interest loans to some of their farmers. That is commendable. They increased their profits by 345 per cent and said they would distribute some of the profits to some needy people. That is commendable. Hon. members talk about me yelling about other banking institutions in this country, but I will touch on that shortly.

We talk about stabilization and different programs in our provinces, but even the minister of agriculture in the province of Alberta wants a national program for beef. Yet when all of the provincial ministers are seated together, they cannot agree on what kind of a national program we should have. Hon. members talk about leadership. The hon. member who represents that great constituency in Manitoba, his constituency name escapes me for the moment—

Mr. Mayer: It is Portage-Marquette.

Mr. Whelan: When the hon. member for Portage-Marquette (Mr. Mayer) talks about leadership, does he want me to impose a red meat marketing commission and provide leadership like R. B. Bennett did in 1935? When I see the hardships, I am about ready to provide some of that kind of leadership. We have tried persuasion of every kind that we can think of to get the provinces to go along with a national program. I must give the minister of agriculture from Alberta some credit, because he has withstood some pretty rough meetings lately, but he seems to be staying with the philosophy that it is better to have an all-Canadian program. We are not that far apart.

The hon. member talked about the cattle feeding program in Ontario and about the cattle feeders being especially hard hit. I will have to take hon. members on a little tour of that part of Canada. Ninety-nine per cent of cattle in those feed lots are fed by the feed the farmer produces on the land he cultivates himself. I am told that not 1 per cent would be bought feed from any other source. We could take hon. members to areas where there are 1,400 acres of corn which are put in pit silos and upright silos, you name it, wet corn, etc. They are pretty well self-sufficient.

However, they got into a lot of difficulty, and I find this rough. I have appealed to the bankers to get into the farm loan business. I have hundreds of letters from farmers; some of them sent me complete financial statements and some of them hardly owed a penny five years ago. These farmers borrowed on demand notes, which is a floating loan. The amounts they borrowed varied from $250,000, $300,000 to $350,000. Money should not be lent for those kinds of physical structures in rural Canada. Floating loans is an improper way to lend money. Lending should be at a fixed rate with at least a ten-year mortgage and possibly a 15-year or 20-year mortgage. Ninety per cent of those people in financial difficulty today would not be in financial difficulty if they had a fixed loan.

An hon. Member: That is what we said.

Mr. Whelan: That is why I said that under the Bank Act the banks have the authority to do that. They have the authority to do just what the Alberta trust is doing at the present time. Under the Bank Act the banks have the authority right now to give long-term mortgages at reasonable rates of interest. Some of the bankers come out with stories like: "Well, Whelan knows that when we have a dollar on deposit and we are paying 17 per cent interest on it, we have to make a profit on it."

Mr. McDermid: Speak to the finance minister, that great supporter of the banks.

Mr. Whelan: But the banks loan out that dollar at least ten times. In some instances they can lend it as many as 75 times. So when the banks talk about profits, we should make sure the banks put their profits back into the rural community. Last year the banks collected $1.5 billion in interest from farmers. This year the banks will collect more than $2 billion in interest from farmers. The Bank Act allows the banks to distribute some of that wealth in any fashion they see fit. Are hon.

members opposite from that great free enterprise system suggesting that we put the banks under the hammer?

Mr. Blenkarn: You are the government; why don't you do something about it?

Mr. Whelan: I have the hammer and I am ready to swing it if you want me to do that.

Mr. Blenkarn: If that doesn't happen, will you resign?

Mr. Whelan: Farmers and small-business men should have an appeal against that kind of a system. We have an untold amount of letters. People are telling us they will give us affidavits or will swear they asked the banks for long-term money but were refused and told they were getting money at 12 per cent, to wait, that interest rates would be down to 10 per cent or 11 per cent in six months. Therefore, people did not go ahead with long-term mortgages. This happened a little over a year ago when people were asking for five-year mortgages at fixed rates of interest.

People can see some of the pitiful things that have been done by the banking interests. The banking industry does not need the money, but the Bank Act allows the banks to do the very things that I am talking about. Banks can give long-term mortgages with a moratorium. For instance, a bank could give a 20-year mortgage. The banks created this problem. In most instances, they are responsible for farm takeovers. The bankruptcies do not tell the whole story. Many farms have automatically been taken over by the banks. The farmer just moves out and there is a quiet sale. The banks take what belongs to them, and if there is anything left it is given to the farmer.

We can compare what these banks are doing with other lending institutions in the province of Alberta. Alberta is a rich province but the lending institutions there are not keeping everything for themselves. Some people in Alberta would probably say: "Whelan, they are not doing as much as you think they are and they could be doing more". I think that is probably true.

Last year we heard it said that we did not do anything for agriculture and we did not pay any attention to the industry. But we put $60 million into the herd maintenance program, drought assistance, livestock, fodder procurement program and the livestock transportation program. I wonder how many farmers would have been forced out of business if we had not put in that $60 million?

The hon. member talks about the great programs in Saskatchewan. Let me tell him about the great programs in Saskatchewan. There is one they call the Saskatchewan Crown corporation insurance company, or something like that. I wish I could run a company like that. The federal government pays 50 per cent of the premiums, the producers pay the other 50 per cent, the province administers it and it is called a Saskatchewan Crown corporation. That is a little bit much! In Saskatchewan last year we spent over $130 million assisting farmers in that province, yet the province, which does all things for agriculture production out there, spent only $61 million. Who is doing the most for whom? The federal government does not have the propaganda system to get the credit for what it is doing. That is about what it amounts to.

The crop insurance program is a unique program. No other country in the world has a crop insurance program like ours. We pay 50 per cent of the premiums and the producers pay the other 50 per cent. The provinces administer this program and take 99 per cent of the credit when there are claims. The provinces generally spend only a couple of million dollars in this program. I will give hon. members an estimate of what the federal government spends. More than 121,000 farmers bought crop insurance for their 1981 crops, an increase of 8,000 over the previous year. They bought coverage worth about $2.5 billion. This government will contribute $120 million in premiums to this program, with farmers contributing a similar amount.

• (1620)

Do hon. members think the United States has that kind of a program for its farmers? I can remember a former secretary of agriculture in the United States saying this is a wonderful program. I asked him what kind of program they had and he said, "We call it a disaster program, and that is just what it is, Mr. Minister, a disaster." I do not know whether the United States has come up with any other kind of program, but I know they did study our program in Canada two or three years ago.

Last year the crop insurance program paid out a record $261 million to farmers across Canada to cover losses. A large part of that sum went to farmers in Manitoba and Saskatchewan for losses due to the drought. That is what I call support to the agricultural industry and to Canadian farmers.

This has been an exceptionally good year on the prairies. There was one large area that had a lot of hail damage in southern Saskatchewan but I do not expect there will be that many big insurance claims or payments made for grains or oilseeds in the west this year; at least, that is the advice I have been getting from my crop insurance people. Growers in Ontario and Quebec will be thankful for the crop insurance program this year. Many vegetable and grain farmers in southwestern Ontario had their crops washed out by unusually wet weather. They had the largest amount of rainfall ever recorded in that area this year.

Farmers do not want to live on handouts. They want the government to provide policies and programs that will make it possible for them to do what they do best, grow crops and market them at a price that will give them a reasonable return on their investment and their labour. That has been the basic aim of the agriculture policies of this government, and I think it has been appreciated by producers. They have certainly thrived under it and developed an agriculture industry that is second to none in the world.

No one is more aware than this Minister of Agriculture of the difficulties that farmers are facing right now with inflation pushing up the cost of farm inputs at a rate that exceeds the

rise in commodity prices. It is a cost-price squeeze that is hitting some farmers harder than others. Farmers who have been operating with low equity and high debt are in trouble. That is a poor way to do business at the best of times, and maybe if some of those farmers had had better financial advice in the first place they would not be in that position.

Farmers who have been able to establish orderly marketing arrangements, as I said earlier, are in better shape, and that too is a form of support this government has given to farmers. Hon. members will notice that it is not the dairy and poultry producers, as I have said, who are having great difficulty in the present situation. Supply management has a lot of advantages that many people do not realize until they get into the sort of bind some hog and beef producers are in at the present time.

As I have said, I have the right to challenge farm leaders in the community because I was a farm leader at one time. We did things; we organized ourselves and went to the government and told the government what we wanted. Most of these farm leaders at the present time are just sitting back and yelling without making any constructive suggestions whatsoever. They are afraid to go into the farm communities and really organize the farmers as we did at one time. I do not have time as Minister of Agriculture to do that and it is not my job to do that. It is the farm leaders' job to do that.

Some farm leaders have done a good job and certain products come under provincial or national boards, and those producers are making a buck. If they are efficient producers they are making the dollars and paying the bills. The bankers know that as well, and so do we in the Farm Credit Corporation. We have lent money to the farmers of Canada. At the present time there are 70,000 farmers in Canada who have farm credit loans. Of farmers who are presently farming, 70 per cent have at one time or another received assistance. I want to make that clear; some 70 per cent of farmers who are now producing in Canada at one time or another in their lives received assistance from the Farm Credit Corporation.

The Farm Credit Corporation was at one time the main lender to farmers. At one time 70 per cent of all long-term loans in Canada were made by the Farm Credit Corporation. We appealed to the lending institutions to become more involved in lending in rural Canada. They were hardly involved at all in that kind of lending before 1978. If one checks the records one will find that the bankers were hardly involved in this type of lending before that time. Little did I know when we appealed to them that they would operate in the fashion they have. They have shown their ignorance about lending in rural Canada. They have shown that ignorance as indicated by some of those things I have mentioned. They lent huge sums of money without any advice to the farmers, without any real study of the operation and without any real study of the economics of the production entity. They did not make sure the farmers were going to have some kind of program so that they would know they would be able to pay back the loan in the following ten years. One can hardly believe the heartbreaking situations some of these people are now in, mainly because of the policies of the banks in lending money.

This is what I was thinking about when I talked about whether the Farm Credit Corporation should be given more money and whether the small business development bond program should be expanded, allowing more money to be again administered by the banks. Should there not be some way of having control over how this money is to be lent and to whom in order that we do not just put these people in jeopardy again? I maintain that even with a small business development bond some of these farmers would still be in difficulty, at least until they get a better marketing system for themselves. They will not be able to get out of difficulty even with a 10 per cent or 12 per cent mortgage under the Small Business Development Bond program. They are not able to write this off as an income tax expense. What they need are long-term mortgages with a moratorium on the first three years of interest payment on capital. I know I am repeating myself, but this could work. They should have mortgages for 20 years with an amortization period over the final 17 years. This would allow them to get on their feet. For some of these people this is a must. We need these agricultural producers.

These producers are not necessarily inefficient. Some of them are the most efficient producers in existence. I could name one young farmer in my area who went bankrupt owing $750,000. He had the most efficient beef cattle feeding program in Ontario on the basis of pounds of beef produced. He was self-sufficient; he did not buy any grain for his cattle, he produced it all on his own farm.

We want amendments to the Farm Credit Corporation legislation and we have made certain recommendations. Other members on both sides of the House have made suggestions. It has been suggested that a Crown corporation or trust company be set up to entice people to invest in agriculture. We could pay a lower rate of interest but the investors could get an income tax break.

There will be other members on this side of the House who will be speaking on this subject. There are many things I should have liked to say in answer to some of the comments by hon. members. An hon. member referred to an outlook conference, which I think is a commendable idea. There are many things we think can be done to really help agriculture in Canada, but—

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

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I welcome the opportunity of taking part in this debate on the opposition motion on agriculture proposed by the hon. member for Portage-Marquette (Mr. Mayer). I listened with interest to the Minister of Agriculture (Mr. Whelan) expressing his concern again, again and again, but like my colleague, I would like to point out to the minister that we understand the problems. Every farmer, every cattleman and every producer of food products in this country understands those problems. We need some answers from the government. If this minister

and his government also understand those problems, then will they please supply some answers and some solutions?

The minister talked about marketing. He said the entire problem which exists in the red meat industry can be related to marketing. He said these producers are those people who, to use a government expression, are in the most dire straits.

• (1630)

Mr. Speaker, coming from a grain producing area, I would like to give the minister a small lesson in economics. I will give him some statistics showing what part grain plays in my particular part of Saskatchewan and, indeed, the western part of Canada as well as Ontario and Quebec. The dominant crops on the prairies are grains and oilseeds. In Saskatchewan, grain and oilseeds account for 74 per cent of cash receipts, cattle accounts for 18 per cent and other crops account for the balance. In 1980, of the $3.2 billion in Saskatchewan farm receipts, wheat accounted for 60 per cent, barley for 5 per cent, rapeseed for 7 per cent, cattle for 18 per cent and others were 10 per cent. Barley and wheat, a total of 65 per cent, was under the authority of a central marketing agency.

The central marketing agency the minister talks about for the red meat producers is not the answer. We have had the central marketing agency in the wheat industry, the Canadian Wheat Board, since 1935 when it was established by the Progressive Conservative government. In my opinion, the only thing wrong with the Canadian Wheat Board is that our party has not been in government long enough to make it operate properly.

Using the Canadian Wheat Board as an example, any producer-controlled agency or producer central selling desk should have leadership by someone who is at least as capable as those he represents. Anyone who is at all familiar with the Minister of State in the other place and his past experience knows he is not a representative of the producers. He is not as capable as the people he says he represents and that is the problem we are faced with in that central selling agency.

Turning to Saskatchewan agriculture, after the strike at Thunder Bay the Minister of State for the Canadian Wheat Board issued a press release in which he said:

> Producers, grain handlers and members of the elevator association have all emerged winners at the end of this disruption of the grain handling system.

The Minister of State went on to say:

> —no sales were lost nor were any contracts cancelled as a result of the strike and the union has indicated it feels it can make up for lost time.

Somebody lost. I know it was not the government that lost. I know that the union workers lost because they were on strike. I know that the sales target of 26 million tonnes which has been set by the Canadian Wheat Board will be behind. We will not make 26 million tonnes this year, even with the best efforts of all parties. That is another matter which we will discuss on another day.

However, this is the type of leadership that has been given to the people of Saskatchewan who have contributed 65 per cent of the $3.2 billion in farm sales. As of today, we in Saskatchewan finally had a six-bushel quota. Up until this time last week we were at three bushels per acre. That is $12 an acre which the farmer has been able to sell when the input costs are closer to $40. This is the reason the people in my part of the country are in severe financial difficulty.

The minister says that a marketing board is the answer for the red meat industry. It may well be the answer to something like the poultry industry, where there is a ten-week cycle, but the red meat industry cannot pile up sides of beef in a granary.

Mr. Whelan: I know you can't.

Mr. McKnight: Mr. Speaker, the minister says he knows we cannot, so why does he insist on saying the only problem in the red meat industry is the marketing process?

We have problems in the grain industry in western Canada which has had a central selling desk since 1935. The problem we have there is the same problem we have in the red meat industry, namely, lack of leadership on behalf of the government.

The minister does not have to criticize the banks. The producers will do that themselves if they feel they are being taken advantage of. I have yet to receive one letter from a producer which says that he has been harshly treated by the bank because of his inability to pay. A producer may well say: "I know I have a legal contract and the bank has assisted me over the last 12 or 18 months to try to recover, but I do not want to see my farming business go. I had a legal contract and the only place I could borrow money was at the bank. The Farm Credit Corporation did not have any funds."

This government will not move to let the Small Business Development Bond work for unincorporated farmers. It will not move to let the operating loans that producers have fall under the Small Business Development Bond. This government and its supporters in the New Democratic Party voted against the Small Business Development Bond in that part of the Crosbie budget, yet they brought it back in. However, they only brought it half way. We have wondered why the banks are the only people who can lend money and not have to pay tax on the interest accrued, as with the Small Business Development Bond. We have made suggestions to the minister and to the government that there is absolutely no reason why the Farm Credit Corporation could not be funded by individuals investing money in the Farm Credit Corporation without having to pay tax to Revenue Canada when they withdraw their income from it, as the banks do. The minister could get all the money he needed for the Farm Credit Corporation if he treated the individuals who put their money into RRSPs or home ownership or just saved money in the same way as the banks that he criticizes and blames. Why cannot this be done by individuals in the Farm Credit Corporation, Canada Mortgage and Housing Corporation, small business development, all these areas which are hard hit by the high interest rate policy of this government? If the minister would allow these individuals to invest in a central lending agency without being subject to taxation when they collect their money, you would have all the money you need.

Last year the farming industry had approximately $1.5 billion in interest payments. It will be $2 billion, using the minister's own words, by the end of this year. The farming industry pays this money to carry on business. It does not do it for any other reason. What the minister and his government forget is that Revenue Canada is taxing the people who lend that money. Therefore, we have interest rates of 18 and 20 per cent when it could be 9 per cent or 10 per cent. This is not new to the minister because we have asked him about this in the House, we have written to him, and we have made proposals to the Minister of Finance (Mr. MacEachen). It is nothing new.

Today the minister was asked a question on cattle stabilization. He said in order to get 95 per cent or 100 per cent he would have to go to the cabinet. He told us that his batting average has been pretty lousy lately and that the chances were that he would not be successful. He told us that the cabinet made him go to 16.75 per cent interest for Farm Credit Corporation instead of the 14 per cent he wanted. He said he would just as soon have 90 per cent in cattle stabilization over the last five years because that was in the statute and his cabinet colleagues could not take it away.

In Saskatchewan we have a stabilization plan. I am not sure if the minister is aware of it.

Mr. Whelan: I know that.

Mr. McKnight: The minister says he is aware of it. I also hope he is aware of the consequences of it. It does not help anybody unless he happens to be a commercial feeder. It does not help the cow-calf operator. It does not help the guy who brings in cattle and feeds them on his farm because the plan provides that animals from the cow herd may be custom fed to slaughter while purchased feeders must be finished on the farm. You cannot go to the feed lot with that. It is very well set up! The stabilization fund is very well set up. The stabilization fund will be actuarially sound over time and if the deficit in the fund becomes too large the levy will be increased.

● (1640)

That is like the western grain stabilization fund the minister mentioned earlier, of which he seemed overly proud. When it first came in producers had the option of opting out of the western grain stabilization fund, and the premium was fixed at $500 per producer. A couple of years later producers were locked in and the premium was increased to $900 per producer. Now they are still locked into the fund and the premium is $1,100. That is the history of that fund, and it has been three years since there has been a payout.

Mr. Whelan: The best investment a farmer can make.

Mr. McKnight: The minister says that is the best investment a farmer can make. How can a farmer invest in a grain stabilization plan when he is paying 20 per cent at the bank, does not have any quotas in order to sell his grain and is going broke? How can he pay that?

I will come back to the minister's point about marketing agencies and central selling. There is a central selling agency for grain. In one area of my constituency which is rural and relies on grain production I spoke with a local banker and learned that financing for operating alone three years ago at his bank averaged $21,000 among producers who had operating loans. Today operating loans average $34,000. That is in three years, so I do not know why the minister says central selling is the answer. We have an agency; that is not the problem. The problem is paying $100,000 for a combine at 20 per cent interest, or paying $50,000 for a tractor.

The spokesman for the New Democratic Party spoke about his concern—and we all share it—about laid-off workers at Massey-Ferguson. I think the minister would have mentioned, if he had remembered to do so—and the spokesman for the New Democratic Party forgot as well—that those workers have the cheapest food in any industrialized country. Those workers have increases built into their contract. When they bargain, they bargain for increases every year. What has happened in farming? The reason those workers are out of jobs is that farmers have not been able to buy new machinery. I agree with the hon. member for Hamilton Mountain (Mr. Deans) that that is a very serious problem. It is serious not just for the farming community but for all of Canada. We have a built-in problem because of the high interest rate policy of this government.

When we talk about what farmers would like, I think I speak for any producer of a product. Farmers would like to take their incomes and wages from the marketplace. They do not want to get their incomes from the minister's department. They do not want to get it from Revenue Canada. The minister agrees with me.

We have heard much about Canagrex, of which the minister is proud. There is tremendous opportunity for the sale of food products produced in this country—and value added—to virtually every country in the world. There is talk about the inflow of American cattle. I have had the same discussion with the minister regarding the inflow of sheep. Presently there is a meat import law before the Standing Committee on Agriculture. Sheep are not dealt with by that law, and we hope the minister will take our suggestion that sheep and mutton be dealt with, because what we see happening to Canadian sheep producers is something which should never happen in a country which has the ability to feed itself. Canada definitely has that ability. Our farmers are productive and hard working. They have initiative, but the government should assist in terms of refereeing and playing the game.

On April 28 the minister said to the Canadian Food Processors Association at Halifax, and I quote:

> Governments don't produce, but they certainly can play a role in your productivity. Government sets the rules and it creates the climate in which private industry plays.

By the minister's own admission, the government is not setting the proper rules, and that is what we would like to have in the form of leadership from this government, and from the Minister of Agriculture in particular. I do not doubt for one minute what the minister said when he was at a meeting in Ontario. I will not quote him unless I can do so accurately. I

do not doubt for one minute that the minister said, and I quote: "I won't stay as your Minister of Agriculture if there isn't something done that is practical and workable." I hope that is, as the minister often says, as clear as a bell. I do not doubt that, but why should someone like the Minister of Agriculture have to say that? Over the past nine years he has served the farming community quite well, in some instances. At this time when the farming community and the whole economy suffer because of the high interest rate policy of the government, why should someone like this minister have to leave the cabinet and the government he serves? We will have the answer on November 12. I very much hope the minister will not have to keep his word and resign because if that happens the producers of this country will be in worse shape than they are at present.

An hon. Member: You are being very kind.

Mr. McKnight: One of my colleagues says I am being very kind, but I do not think I am. The minister knows the respect he had in the farming community. He knows it has been eroded over the last two or three years. I am not saying that is the minister's fault, but he knows he has not been able to carry the ball for the farmers of Canada. I am not saying he is not trying. I am saying he does not have the ability to convince his colleagues; or perhaps his colleagues do not understand the problems.

Research and development are very important to the agricultural industry and to Canada as a whole. We in Canada spend 0.9 per cent of our gross national product on research in agriculture. The United States spends about 2.4 per cent. Sweden spends 1.9 per cent, and Japan spends 1.7 per cent. Because of a need to find a type of grain which will respond to bacteria to produce nitrogen—because nitrogen fertilizer costs close to $300 a tonne—the Department of Agriculture funds a research program in Lethbridge. Bob Rennie's research program to inoculate wheat seeds with bacteria so that they are nitrogen-producing is funded by a budget of $20,000. That is less than it cost three cabinet ministers to fly to Winnipeg last Saturday. The price of energy is rising—up to $4 per gallon for diesel fuel—and the cost of nitrogen will increase because of the cost of natural gas. However, only $20,000 is being put into a program which is so vital to the farmers of Canada.

At times we have had differences with the minister, but I must give him credit for one thing. I am sure this has been mentioned to him by some people in his department, but the minister has not yet introduced a program of state ownership for land. I would like to make it clear to the minister why he should not want a program like the one in Saskatchewan called Land Bank. I will give an example. A son rented his father's land from Land Bank after it was sold to them for $120 an acre. Five years later the Land Bank offered to sell it back to the son at $530 an acre. That kind and democratic socialist party which governs Saskatchewan made a profit of some 400 per cent.

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

Agriculture

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please! It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for York-Sunbury (Mr. Howie)—VIA Rail—Elimination of Atlantic Limited train service. (b) Request that minister meet New Brunswick representatives; the hon. member for Mississauga South (Mr. Blenkarn)—Housing—Sale of houses held by Canada Mortgage and Housing Corporation. (b) Sales to investors and speculators; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—VIA Rail—Effect of cutbacks on western economy.

• (1650)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO SUPPORT FARMERS

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

That this House, noting the disastrous increase in farm bankruptcies, condemns this government for its continuing failure to support Canada's farmers, and its inability to curtail the devastation high interest rates are bringing to Canada's agriculture section.

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I listened to the two previous opposition speakers speak to the motion introduced by the member for Portage-Marquette (Mr. Mayer), which reads as follows:

That this House, noting the disastrous increase in farm bankruptcies, condemns this government for its continuing failure to support Canada's farmers, and its inability to curtail the devastation high interest rates are bringing to Canada's agriculture section.

Mr. Speaker, from this motion, moved by the hon. member for Portage-Marquette, it is clear that this opposition day will be used to discuss agriculture, a very appropriate subject for debate in this House in a country like ours. However, I feel that time is of the essence for this House, and the Minister of Agriculture (Mr. Whelan) pointed this out just now when he said that a bill had already been tabled in this House in 1979, and that since then, there had been two elections, the business of the House had been delayed fairly regularly, and this particular bill, a bill to amend the Farm Credit Act, had not been able to materialize.

Mr. Speaker, I believe the sudden rise in interest rates actually occurred after the bill was tabled in 1979. There is no doubt that for farmers, entrepreneurs, small and medium-sized businesses, home owners who face mortgage renewal, in fact for all Canadians, interest rates are high, and that we have galloping inflation. But, as the Minister of Finance (Mr. MacEachen) says almost every day during question period, high interest rates are the only way to fight inflation. We all know that the Farm Credit Corporation recently had to raise its interest rates to 16¾ per cent, which is still two, three, even four per cent less than the interest rates charged to small and medium-sized businesses. The Minister of Agriculture has just outlined also all the benefits and all the help given to Canadian farmers through stabilization payments to hog producers and potato growers, and recently to apple growers. The government must intervene on a regular basis under its stabilization insurance program.

The Farm Credit Corporation has been administering the Farm Credit Act for over 22 years. During that time it has made about 147,500 loans worth $5.1 billion all told. Thanks to its long-term credit programs it has been one of the most important factors which has enabled Canadian farmers to boost their agricultural output and increase their efficiency over the last two decades. That corporation has granted in excess of 60 per cent of the long-term farm credit in recent years. The remainder came from provincial organizations, banks, credit unions, caisses populaires and private individuals.

Mr. Speaker, I represent a riding in the province of Quebec—Saint-Hyacinthe-Bagot—which is indeed the garden of the province, perhaps second to your riding, Mr. Speaker. Two or three years ago farm land used to sell for $1,000 or $1,200 an acre, but last week a young farmer told me he had just bought a farm which cost him $3,500 an acre. In other words, the price of farms is inflated. And since 1973, the number of long-term farm loans has increased by almost 20 per cent each year and it is expected in some quarters that it could double between 1978 and 1981 to reach $2 million. During the last year for which complete statistics are available, that is 1980-81, the Farm Credit Corporation has approved 4,680 loans for a total of $508.8 million and the regional distribution of those funds for 1980-81 is as follows: British Columbia, 175 loans, $21 million; Alberta, 640 loans, $71 million; Saskatchewan, 1,346 loans, $128 million; Manitoba, 470 loans, $47 million; Ontario, 1,084 loans, $138 million; Quebec, 742 loans, $81 million, the Atlantic provinces, 229 loans for a total of $20 million and in all, $508,885,200 representing 4,686 loans.

What is amazing, Mr. Speaker, is that most of the approved loans were granted to persons under 35 years of age. Their share remained relatively constant around 70 per cent over the last three years. We often hear opposition members say that young people cannot afford to take up farming. Yet, 70 per cent of the funds I mentioned a while ago were paid to young farmers of under 35, and God knows, Mr. Speaker, that in the province of Quebec it is the young people who are going back to the farm. Once again, I feel the Farm Credit Corporation has done more than its share in helping to finance over the long term those young farmers who want to settle on the land. Three per cent of the loans approved were granted under the young farmers' loan program, or the one that allows the borrowers to keep a job outside the farm.

• (1700)

This program, which has been changed by means of the regulations of the Farm Credit Corporation these last few years, enables a young farmer to get a loan and settle down on a farm while keeping his job for a period of three to five years. We still often see, at least in Quebec, young farmers and their wives who keep an outside job while they own a farm and who slowly increase their herds and equip their farm so that they can leave their outside job after three to five years and devote all their time to farming.

About 27.9 per cent of the loans approved last year were used to purchase additional land compared with 29.8 per cent during the previous year. The loans granted for other purposes may be listed under the following categories: new units, 24.4 per cent; permanent improvements, 16.5 per cent; mortgage debts, 12.3 per cent; other debts, 12 per cent; equipment, 2.3 per cent; livestock 2.2 per cent; and miscellaneous, 2.4 per cent.

The repayment record of farmers has remained good in 1980-81. Out of $75.2 million due last year, 89.4 per cent had been repaid, and the farmers have also repaid $52.2 million on the principal not yet due. Moreover, during the year, 91.9 per cent of the $279.1 million in due interest was paid. At the end of the last fiscal year, 93 per cent of all FCC active accounts were in order compared with 93.2 per cent the previous year and 90 per cent in 1979-80. That just shows, Mr. Speaker, that there are certainly problems, as we have heard from the other side, but I think that what our friends opposite would have the Canadian people believe are horror stories. They use every means at their disposal to exaggerate the crisis in agriculture. I was looking at the figures quite recently, and if I recall correctly, under 200 farmers went bankrupt in Canada last year.

If one compares this figure with the number of small and medium-sized businesses that have and have had difficulties, one can see that the Canadian farmer, like any Canadian citizen, is a good manager. He manages his farm with his family, and what he needs is of course credit, but also assistance to market his product and assistance to get through difficult or disastrous periods. And I believe that the Department of Agriculture provided some $112 million to hog producers last spring under its stabilization program.

Real losses on loans have increased—I hope our friends opposite are listening—real losses on loans have increased by $1.5 million, which represents .04 per cent of the Farm Credit

Corporation's envelope. During the first six months of the current fiscal year, the Farm Credit Corporation approved 3,500 loans for a total of nearly $360 million, and according to our projections the total budget for the year will be close to $460 million. Only approximate figures can be given, since a large part of the total budget of the Farm Credit Corporation is made up of repayments or advance payments made by borrowers.

Mr. Speaker, so far this year, loans have been used mainly to purchase additional land, with purchases of new farm units coming a close second. However, the number of loans granted to consolidate debts has increased considerably because of the difficult situation brought about by high interest rates, which rose from 24.8 per cent on March 31, 1980 to 27.1 per cent on September 30, 1981. However, Mr. Speaker, we still see Canadian farmers who are consolidating their units and buying additional land and farms. We see this every day in every province, and in any case in Quebec, farmers buy land from one, two or three neighbours to considerably expand the size of their farms. While the number of farmers is decreasing, actual farm acreage is stable or rising, and each year shows a sizeable increase.

The Farm Credit Corporation knows for a fact that credit productivity is directly related to the managerial ability of the borrower, and that effective farm management has become tremendously important during the last two years because of fluctuating interest rates. However, the work of the Corporation and the Department of Agriculture goes even further, since last spring and last summer, Mr. Speaker, the Department of Agriculture helped Canfarm to get back on its feet so that Canadian farmers could continue to benefit from the bookkeeping assistance provided by Canfarm, to improve management of their farm operations.

The Corporation makes available upon request advisory services on a voluntary basis to all its current and former borrowers. The purpose of these services is to dispense advice in the areas of organization, planning and administration to help family farms reach their economic and personal goals. As of March 31, 1981, some 2,742 borrowers were availing themselves of these services and others will probably do likewise. There is also the Farm Syndicates Credit Act. Its purpose is to provide financial assistance to farmers who want to join forces to fight against rising costs which individual farmers have to meet when they seek to purchase farm appliances, buildings and stationary equipment, through loans which may be granted to groups of three farmers or more up to a maximum of $100,000 or $15,000 per qualified farmer, whichever is the smaller.

For the year 1980-81, Mr. Speaker, the Farm Credit Corporation has granted to the above mentioned people 169 loans for a total of $4.8 million. Up to this year, we have witnessed a marked increase in the demand for loans of this type, and one of the reasons appears to be the rising costs of specialized equipment over the past few years.

• (1710)

Concerning the point raised by opposition members about farm failures, I would like to say a few words and give reasonably accurate figures. From 1979 to 1980, the number of farm bankruptcies across Canada increased from 124 to 220. According to the figures for the second quarter of 1981, there has been to date 191 farm bankruptcies, a 16.5 per cent increase over last year. In 1979-80, 32 farmers who had borrowed from the Farm Credit Corporation went bankrupt, compared with 56 in 1980-81. And as of September 30, 1981, 41 borrowers from the Farm Credit Corporation have gone bankrupt. Those figures, Mr. Speaker, are for all of Canada, for all provinces. We have no hesitation in recognizing the seriousness of the situation, and of course official bankruptcies are only part of the total failures in the farming community. There are others. You must not forget, however, that the latter represent only a small proportion of the total farm population, because a good many farmers, even if they are faced with high interest rates—

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

[*English*]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, initially I want to say that the opposition motion before us today is timely and appropriate. It provides all of us who are actively involved in agriculture with an opportunity to comment frankly and honestly on the state of each of our special interests in agriculture. This is what I propose to do. The motion pinpoints the issues which dominate every sector of the Canadian agricultural economy today—the devastation of high interest rates, the increasing cost of production, and generally increasing inflation.

The hon. member for Elgin (Mr. Wise), a former minister of agriculture, is presently serving as a member of an Ontario provincial task force on agriculture. I visited with him last week concerning the public meetings which he helped to conduct. Recently he commented that the hearings throughout Ontario are very revealing in terms of what is troubling Ontario farmers. They reveal that the interrelated issues of interest rates, increasing production costs, inadequate market prices and ongoing inflation are first and foremost. Heading the list of commodity groups in real trouble are beef cattle and hogs. The Ontario agricultural task force has struck a sounding board for all Canadian agriculture, especially the cattle industry.

This afternoon I intend to discuss my special responsibility—and I am sure some hon. members will say that it is my labour of love—Canada's beef cattle industry. First I should like to make some background comments on the total cattle

industry. Many of my comments apply to the United States beef cattle industry as well.

There are two beef cattle sectors which are in serious trouble today and were over most of 1980 as well. They are the cow-calf, grass yearling producers in western Canada and cattle feeders in Ontario and the west, especially cattle feeders in Alberta. The concerns of cattle producers are: the aftermath of the western drought which took place in 1977, 1980, and the first part of 1981; interest rates; increasing cost of production; worsening inflation; and live fat cattle imports for the first half of the year from the United States of America.

Our cattle feeders are probably more acutely aware of the interest rate disaster and feed grain costs—and I mean by that barley in the west and corn in Ontario—in addition to the other factors I mentioned for producers. Fed cattle prices have been at or below—and I would say mostly below—the cost of production throughout most of 1980 and all of 1981 to date. This is not because of the overproduction of domestic live cattle and beef which we experienced in 1975, 1976 and throughout most of 1977.

The current situation is different. Canadian beef cattle numbers and supplies have been at the bottom of their respective cycles for the last four years. This is where it differs from the other years I have mentioned. There has been no genuine incentive to expand breeding herds in the face of the short and long-term realities I have already mentioned. There is not an oversupply of beef in Canada today. However, throughout 1980 and 1981 to date there have been record supplies of meat, that is, beef, pork and poultry. This is true in both Canada and the United States. Our meat prices reflect this situation.

During the spring of 1980 most hon. members will remember that hog prices were less than half cattle and beef prices at both the farm gate and in retail stores. Consumers reacted quickly and predictably by backing away from the most expensive food today, beef, and settled for the cheaper meat supplies of pork and poultry. The result was that cattle prices and consumption declined rather rapidly, pork and poultry prices and consumption increased quite dramatically. All three commodity price levels are now much more closely grouped. We have not experienced this situation for many years. It will likely continue under the intense inflationary pressures and fierce competition for the consumer food dollar of which we are all so conscious today.

I should like to refer to the current situation. In retrospect it is easy to say that Canadian cattle feeders paid too much for their yearlings, and especially for their calves in the fall of 1980. This is true both in southern Alberta and in Ontario. Today, approximately a year later, Alberta and Ontario feeders have two alternatives. They can buy at lower prices, perhaps substantially lower than last year, or they can suspend feeding over the coming winter. I am sure feeders in the west and in Ontario are seriously considering these options, even as late as it is this season. Some Alberta feeders may very well do this, but Ontario feeders may not be able to do so. In spite of recent severe losses, cattle feeders may have difficulty justifying lower bid prices for feeder calves in the face of the anticipated all-time high record production of barley in Alberta and corn in Ontario and the consequential expected lower feed grain prices.

Grass and hay supplies across southern Alberta and southwestern Saskatchewan are excellent. The grass is the best I have seen since 1953; it is even better than it was in that good year. These conditions are a wonderful and welcome turnaround from last spring when there was a severe drought right at our doorstep. These conditions may encourage cattlemen to hold their yearlings, especially their calves, until late November, hoping for a higher price, or even into January and February of next year before selling them. As recently as a month ago I predicted lower feeder cattle prices in the early fall, strengthening in late November and December, and holding firm into the first quarter of 1982. After about two weeks of the larger calf sales in Alberta and in southwestern Saskatchewan, we now know that calf prices are significantly lower than a year ago.

I want to give some examples of actual calf sales over the last two weeks. Good steer calves in southeastern Alberta and in southwestern Saskatchewan, weighing approximately 450 to 500 pounds—and these are in large lots—are selling from $71 per hundredweight to a top of $74, with comparable quality heifers selling at approximately $12 per hundredweight lower. In the Fort Macleod area of southwestern Alberta their earlier prices were somewhat stronger, perhaps $2 stronger but with the same wide spread to heifer calves. The indications today are that they have pretty well settled down to that same level and the same wide spread is applied to heifer calves.

● (1720)

Ontario calf buyers are obviously remembering last year's extravagance and are bidding much lower and buying considerably fewer calves at this date. It is quite possible that the late Ontario corn harvest, due to extremely wet corn fields, could be at least a partial explanation of what I would call their careful and guarded buying pattern for western calves. The major explanation must surely be, however, that Ontario calf buyers are aware that the interest on a $350 calf—and that is the present cost that I just mentioned—at 20 per cent comes to $70. That amount has to cover their cost for the 12-month period which is needed to winter and grow out a calf and fatten it to slaughter weight approximately one year from now. At this date, early November, western calf sellers are acutely aware that calves are selling for about $100 per head lower than a year ago, yet their production costs are considerably higher.

I should like to say a few words now about beef imports and GATT, Mr. Speaker. Live fat cattle imports from the U.S.A. to Ontario for the first half of this year prevented any hope of a fed cattle price recovery this year. It was last summer's 80-cent Canadian dollar that finally halted these imports, but recently they have resumed although at a more modest level. At the moment the average is about 929 head per week, over the last seven weeks. For a number of weeks last spring the

average was from 5,000 to 7,000 head per week. I am speaking of live fat cattle coming in from the United States. That killed our fed cattle market at that time. Not only did it depress the market in Ontario but it had an impact on every market in Canada.

The minister's meat import legislation, or Bill C-46, is still in committee and the last witness will be heard tomorrow. The real usefulness of this proposed legislation has been significantly limited, however, by the last Tokyo Round of the GATT negotiations. Our Canadian negotiators were clearly outmanoeuvred when they agreed to a guaranteed minimum access level of imports which was arrived at by using Canadian cattle population figures at their all-time high level, that is, at the top of our cattle cycle. In addition, we agreed to a human population growth factor that no other GATT trading partner was asked to accept, certainly not the United States.

Canadian cattle producers are very concerned about the implications of the GATT limitations because they destroy any real indication of a long-term incentive to increase our beef cattle breeding herd numbers. We have been sitting at the bottom of the cycle for four years, and given the implications of low markets and high interest rates, I would say we will sit there for another two years. This is causing some producers to think of getting out of the cattle industry altogether.

I am not impressed with the recent Senate report on alternatives for a Canadian beef cattle marketing system. At best, it is a hurry-up assessment by a confirmed supply management author, Max Roytenberg, that completely ignores the real challenge to governments and to our cattle industry. This challenge must surely be to find a way to allow our present free market to function without the risk of loss of access to the American cattle and beef market. That is the challenge that should have been addressed, not that of selling supply management to the Canadian beef cattle industry.

I have tried to give the House a factual and sincere appraisal of our beef cattle industry today. I do not exaggerate when I say that some producers and feeders have already given up and others are in a critical and urgent position, bordering on desperation. The minister is well aware of this situation—I know he is—so I say to him now that out of this cattle crisis, and it is a crisis, surely some good could emerge. Agriculture Canada and the minister himself could regain some of the high profile, prestige and indeed leadership that has been noticeably absent over the last several years.

I should like to lay a short term, emergency program before the House and the minister, Mr. Speaker. The minister already has the necessary federal legislation to act now under the Agricultural Stabilization Act. I urge him to begin immediately the necessary planning for a national cattle and beef harmonized stabilization program under the federal act with the following component parts.

First, it should involve three groups, the federal and provincial governments of the cattle-producing provinces and the cattle producers. It should be a three-way partnership approach. Second, there should be specific cost-sharing by the three groups. Ways must be found to allow cattle producers to contribute their share, somewhat like the grain stabilization program, using numbers of cattle instead of acres and/or bushels. I am sure the minister knows what I mean.

Third and most important, the immediate objective should be a 1981 stabilization payout based on 95 per cent of the previous five-year average market price, with a cost of production increment calculated by quarterly averages. In his remarks this afternoon, the minister indicated that a 95 per cent payout would not be worth while. I am sure he knows that if it were claculated on a quarterly basis it would be a little better. If we have to move to 100 per cent, as the minister mentioned, that can be arrived at as well when we get the three component groups working together. Something must be done. The actual cost of this first payout should be shared equally between the federal and provincial governments. I feel certain that the needs of the cattle industry are such that the cattle provinces would move on this. I refer to Alberta, Saskatchewan, Manitoba and Ontario and, we hope, British Columbia, which has its own top-loaded program which may or may not allow it to move. If there is to be cost-sharing Saskatchewan would be glad to join.

I would quickly add that for political reasons the provinces cannot wait. Only two months are left to the end of this year and I am sure some provinces will be forced to plan a provincial subsidy to cover 1981.

It seems obvious that there is a need now to halt any further balkanization of our cattle industry. We have heard that term frequently and I think it is a good one. Balkanization is what has been happening. This program should have been started a year ago when there were signs that a national stabilization program was necessary. Let us not fail this time. This proposal is the best way to accomplish that objective.

Finally, and briefly, I would like to remind the minister of two other long-term policy proposals. The other one that I have been dwelling on rather pointedly is for the short-term, emergency situation, but two long-term policy proposals have been advanced by cattle producers and I am sure the minister is aware of them.

The first one is the income averaging trust suggestion which has been well documented by the Canadian Cattlemen's Association. This would be an individual stabilization plan to allow tax-free income from the good years to be used in the lean years when they would be taxed. This is just a common sense approach. The plan would also allow for tax deferrals for investing long-term improvement of the cattle industry itself, and I suggest this be done on an individual basis. After all, it is a well accepted principle.

• (1730)

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but I must advise him that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hargrave: Mr. Speaker, I thank hon. members for their indulgence. As I was saying, this procedure that I have been talking about was allowed for oil and gas exploration and for Canadian-made movies. Why should it not apply to our cattle industry in its hour of need? I think this proposal should be looked at.

The second suggestion is patterned after a U.S. agricultural bond market which is designed to provide lower interest rates to farmers. Agriculture producer credit associations would issue bonds to raise money. Interest paid on such bonds would be several points below bank rates, but the bond investor is taxed at a much lower rate on the bond interest received. The producer credit association then lends money to farmers at 3 per cent to as much as 4 per cent below prime. Both of these long-term policy suggestions could help restore some confidence in our cattle industry, which today is almost non-existent.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to speak about the Farm Credit Corporation and how it helps to increase productivity in agriculture.

One of the current expressed desires of the government is to increase the levels of productivity of all sectors, and especially agriculture. With reference to the Farm Credit Corporation, its contribution to the productivity of agriculture can be itemized to show that through the FCC lending programs, the Government of Canada has made, and will continue to make, sound and wise investments in Canadian agriculture.

Canada has the resources and technology to produce food in excess of its needs. With a growing world population and the inability of many other countries to produce adequate food because of environmental conditions, social turmoil or inadequate resources, Canada can and will play an even more important role as a food exporting nation during the next few years when a worldwide food shortage crisis is being projected. However, in order to do that, Canada must maintain its present equilibrium in agriculture. Government policy has supported this equilibrium with programs such as those administered by the FCC, the Canadian Dairy Commission, the Canadian Wheat Board, the Agricultural Stabilization Board and crop insurance, all of which provide the stability within which the agricultural sector can function.

The Farm Credit Corporation has been an important component of this stabilizing force. With a total of over $3.3 billion outstanding on over 72,500 loans at fixed terms for up to 30 years, Canadian farmers have at least some of their credit insulated from the volatile interest rates which have been seen during the last 12 months or projected for the future.

From 1975 to 1979, productivity increases averaged 3.3 per cent per year in agriculture, and this is higher than in any other goods-producing industry. Data collected by the Farm Credit Corporation indicate that FCC loans for farm consolidation or expansion, farm improvement, purchase of capital items and debt restructuring have been an important factor in increasing farm productivity. Furthermore, by helping to solve their financing problems, the FCC has ensured that an adequate number of people have remained in the agricultural sector even when other sectors were progressing rapidly and attracting more and more people.

Assuming that financial success is a good indication of an increase in productivity, we wish to submit the following considerations. Of approximately 2,000 farmers who were refused an FCC loan in 1980-1981 because they had sufficient resources to borrow funds from private institutions, 65 per cent were previous FCC borrowers who had made an evident success of their farm operation.

An analysis of FCC data indicates that FCC loans contribute to the productivity of a farm and to the increased welfare of farmers. In 1980-1981, gross farm incomes before the loan averaged $61,800 and after the loan they averaged $96,500.

In assessing loan applications, the FCC requires that the applicant submit realistic plans that indicate the farm unit under his farm management will generate an income sufficient to meet all obligations as well as provide a reasonable standard of living. FCC credit advisers are very often a positive factor in improving these plans and in ensuring that the farm unit will be viable and more productive after the loan is granted.

Suggestions have been made that the FCC should have conditions similar to those of the private sector. It is my understanding that a Crown corporation is intended to provide an important service to individuals whom the private sector is unable to serve properly and continuously, and in order to do this, a Crown corporation must maintain all of its specific advantages. I submit that the FCC should continue to offer lower interest rates, because of lower administration cost and lower profits, fixed interest rates, advisory services, special collection policy, etc. It is only fair that young and beginning farmers and average operators of family farms be provided with these advantages if this government is going to continue to support the family farm as the most efficient means of agricultural production in the country.

The primary objective of Farm Credit Corporation Canada is to provide long-term farm credit and advisory services in order to develop viable farm operations so that agriculture can provide farmers with a fair return on their capital investment, labour and skills and so that agriculture can make its greatest contribution to the Canadian economy.

The Farm Credit Corporation provides much more than loans to farmers. During the recent periods of bad weather, escalating interest rates and depressed periods of bad weather, escalating interest rates and depressed prices for some commodities, the minister suggested to the FCC that it give extra consideration to farmers facing financial difficulty and to assist them where possible. This was done, and many farms were permitted to continue regular operations instead of going through the crisis of a foreclosure, and thus the average productivity of agriculture has been maintained.

The FCC directs its credit to young and beginning farmers. In 1980-1981, 70 per cent of all FCC borrowers were under 35 years of age, and this trend will continue in the present fiscal

year. The FCC continues to be a very important factor in the smooth passage of a farm from one generation to the next and most of the time within the same family. This maintains the family farm as the main system of agricultural production in Canada, and such a system has been proven to be better than any other. Furthermore, by offering an efficient method of succession, the loss of productivity that we witness on farms that have to go through prolonged estate contention is eliminated.

For the last four years, the FCC has not required an appropriation from Parliament and, furthermore, it has contributed profits to increase the equity of Canada. Present projections indicate that the level of profit should increase progressively in the future.

• (1740)

These are some of the more tangible elements indicating the contribution of the Farm Credit Corporation to the productivity of Canadian agriculture. There are many intangible contributions. For example, the farm and financial management counselling by FCC credit advisers contributes to the successful investment plans of many farmers who visit FCC but are not given a loan. These credit advisers are highly respected by the farming community, bankers, provincial credit and agricultural extension people, as well as others. When the small farm development program was initiated, the FCC was asked to administer the program because of its competent network of staff distributed throughout all the agricultural communities in Canada.

The corporation hopes to be in a position to offer beginning farmers a loan program better adopted to their restricted cash flow during the start-up period. We would do this by reducing initial payments for a maximum period of three years and then reamortizing their debt over the remaining term of the loan. This program would be complemented by intensive advisory services in the area of agricultural financing.

The FCC will continue to examine on a case-to-case basis the situation of many young farmers who are currently in financial distress because of high interest rates, and we will offer assistance whenever a practical solution is possible. We hope that Canadian farmers will take maximum advantage of the services offered by the FCC. We are convinced that this will allow Canada to successfully face the challenges of the 1980s and enhance its excellent reputation in the world as a major agricultural power. Thank you, Mr. Speaker.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I was about to say that I rise with pleasure to speak on this motion, but I wonder how it could be a pleasure to speak on a motion such as this which relates to so many of our farmers who are in the plight they face today. We know there has been a dramatic increase in the percentage of farm bankruptcies, but few in relation to the actual number of farmers that exist. We have heard the figure of 1 per cent in this regard, but we know that is not a correct assessment of the situation. Perhaps the statistics indicate that, but there are some areas in Canada and in Ontario where the problems are greater. We do have regions in the province of Ontario capable of growing various crops. It appears that our red meat industry is in much more difficulty than some segments of agriculture producing selected cash crops. Some of them have done extremely well this year. A great part of Ontario agriculture is made up of mixed farming, including beef, pork, poultry, dairy and other products.

The plight of the farmer who is losing his equity daily because of high interest rates being paid to the banks or feed companies never seems to be brought to the attention of this government. These farmers face the inability to raise credit and often have to get credit wherever they can find it, often from a feed company or a feed manufacturer. These farmers are paying as much as 30 per cent interest on their credit.

We are also aware of some farmers who are working under quota management supply system, yet are still facing severe problems. I know the Minister of Agriculture (Mr. Whelan) is aware of the case of one individual I have in mind who has suffered various degrees of distress over the last two or three years. He had a fire in his operation not too long ago and a personal accident in his family. This has set his family back somewhat. He built new facilities, and during the past year he had to sell some of his milk quota in order to carry on. At the present time he is trying to find ways of keeping his family farm viable. His two sons are ready and willing to take over but cannot raise the necessary capital.

Many beef and cash crop farmers were in very good financial shape two, three or five years ago. As a result, they have borrowed more money over the years and now find themselves in the position of being unable to handle the interest rate. They have been borrowing on a floating interest rate which has turned out to be devastating.

I do not know when we developed this idea of having a floating interest rate. It looked good at one time, but we certainly can see its bad effects today. No major company would enter into long-term debt without selling debentures at a fixed rate. In this way the company knows what its costs will be for the term of the debt. I do not know why we find ourselves in the present situation with the floating interest rate policy. Perhaps this is a banking problem that comes under bank legislation, but the problem does exist and I do not know how to correct it.

Some banks have been more than willing over the past few years to make loans at fixed interest rates. Other banks have discouraged this or have actually refused. I know of instances in the last year when fixed interest rates loans were not available even for capital expenditures or the refinancing of mortgages on agricultural lands.

There are many feedlot producers in my part of Ontario who are at present facing a crisis. The minister is aware of some of these cases because he has visited that part of Ontario quite often. He knows what is happening there. Many of our feedlot operators and livestock producers are not going to be able to carry on. There are dozens and dozens of operators within 20 minutes of where I live who are not going to be financially able to put livestock back on their feedlots, or keep their hog barns full. This situation has a devastating effect in

the area and across the country. Many Ontario farmers have gone to areas such as Medicine Hat and other parts of the western provinces to purchase livestock, so these problems will have a flowback effect.

Most farms in our area are family farms. I think most farms in Canada are family farms. Most of them are unincorporated. Many of these farmers in the past have hired labour, but in the last 18 months this has changed. Farmers and agricultural producers cannot afford to hire labour. They would like to have more people working on the farms but this is just not economically possible.

Farming can be a good and rewarding life provided the operation is viable. In recent years we have often seen young children, the sons and daughters of farmers out driving the tractors and operating farm equipment. I think all hon. members know the cost of tractors and other farm equipment today. They are making use of those young people who really should not have that responsibility at their young age. I have seen young children, 11 or 12 years of age, as well as the wife working on the farm.

• (1750)

I believe farmers are doing their best to try to overcome this crisis. It is very discouraging for a farmer who works a full year, plants a crop in the spring, tends to his livestock in the barns and does everything right, but when he goes to market he finds he has less money at the end of that year. The result of that is that he has lost large amounts of equity in the operation which he has built up over a lifetime.

Agricultural producers have always had what they thought was inexpensive food. That is the producers' belief; consumers may hold a different view. It may seem like a lot of money to pay $15 for a roast, but if they were to drive up the street to a gas station to fill up with gas, it would cost anywhere from $25 to $35, depending on the car and where they are travelling to.

It seems we have an oversupply of pork and beef which is also creating a crisis. However, we also have cost increases in fertilizer, seed, pesticides, fuel and other input costs which hurt the producers' profitability. Although that may not be the real cause of the crisis, those costs are there and getting greater all the time.

Whenever a farmer has to buy a repair part or new machinery, the price has gone up another 10 per cent. This happens perhaps three or four times a year. New machinery today costs at least $20,000, and many pieces of equipment cost upward of $75,000 to $140,000. I do not believe that is the real cause of our crisis situation today, either. The crisis we are in results from the interest rates we are faced with today.

Farmers have control over some of the things they purchase but they do not have control of the interest rate they pay. If farmers are going to produce food for Canadians and citizens of other countries in this world, which they are capable of doing and wish to do, the high interest rate policy cannot continue. Farmers cannot continue to pay the high interest rates today.

Most farmers today have no choice but to borrow money. They have to borrow their operating capital on a floating loan, and if they are to stay in agriculture they have no choice but to take the money on the bank's terms. They have no other way of doing it. Quite often they cannot liquidate any of their debts because of floating interest rates.

Farmers would not have to borrow on a floating rate if the government would put an end to that policy. This amendment could be made to the bank legislation, and it should be discussed at a finance meeting as well.

The hon. member who spoke before me talked about farm credit loans made to a number of farmers to increase their land base and about the fact that farmers felt they had to take out these loans to stay competitive. I would suggest that most farmers in the area which I represent are refinancing or trying to refinance just to hang on to what they have. There are many farmers who cannot last. They have to buy their seed, fertilizer, and other items I have mentioned on short-term operating credit. This year the long-term financing through the Farm Credit Corporation has gone up to 16.75 per cent, and it is more elsewhere. In some cases there is no medium-term financing available. Even a Farm Credit loan at 14 per cent is not a workable situation for many of our farmers.

Most of our producers used to look at farm credit as a means of staying in production. I believe we have very devoted producers who are willing to take a lot less, and have taken a lot less, just to maintain their home and family operations. Even for those who, I believe, will be fortunate enough to get a loan at 16.75 per cent, it will be extremely difficult at today's prices to carry on their farming business. As a result, I think this year we are going to see another severe loss of equity after our crops are harvested. Corn is coming off in Ontario at approximately $2.85 a bushel. That certainly does not meet the cost of production.

Farm machinery dealerships will be in difficulty again. Farmers will not be able to purchase machinery, and if they do, they will not be able to pay for it. Farmers who are desperate to stay in business will do almost anything. They will obtain financing at the farm dealership or anywhere they can, and in some of these cases the dealerships will have to repossess the machinery. If dealerships go out of business, it will have a severe effect on manufacturers such as Massey-Ferguson and White. I would like to see these companies stay viable as well.

The small-business men in the farming communities are also being hurt by high interest rates. Businessmen in small towns such as mine cannot keep the stock they used to have. They are feeling the severe effects as well because the farmer can no longer afford to use their services to make the small purchases or repairs on his farm equipment. He would rather try some other means of getting by in the meantime. The interest rate policy of this government is having a devastating effect not only on the farmer but also on our businessmen on the main street. It will eventually hit our cities just as hard.

The town of Goderich, for instance, with a population of 6,000 has a good industrial base. It has a harbour that can

load ocean-going vessels with salt and grain which comes in from Thunder Bay and other centres in western Ontario. The main square in Goderich has had 11 of its businesses close in the last 12 to 15 months.

The government has said that high interest rates are temporary. Farmers have tried to hang on, but interest rates have been too high for too long.

[*Translation*]

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Cardiff: Mr. Speaker, earlier today the Minister of Agriculture (Mr. Whelan) said that the businesses which are hurting most are beef producers, which have a free market. That is probably true, but if we had a free international market, our beef would probably be selling in Toyko or somewhere at $25 a pound. However, we do not have a free money market. As farmers we have no opportunity to borrow money except under the policies of this Liberal government. We have no choice but to borrow money under the present economic policy.

Another hon. member spoke briefly about the Farm Credit Corporation, its contribution to agriculture and how it has served. It probably has, but that was yesterday. This is today, we need changes to the Farm Credit Corporation and we need them now. We need them now because the corporation is outdated. It is like buying a tractor not equipped with hydraulics.

We know that Bill C-46, a bill to change the meat import law, is almost completed. I urge the Minister of Agriculture to deal with the current economic situation facing farmers in this country and to take this problem to the Standing Committee on Agriculture along with the Farm Credit Corporation legislation. These matters need immediate attention today because we are swiftly losing our farmers. Small bankruptcies usually produce large bankruptcies.

I would like hon. members to remember that agriculture serves us, consumers, at least three times a day.

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I am also very pleased to speak on this subject because it concerns the Farm Credit Corporation, of which a study has been made during the last four years. As you probably know, the government tabled a bill in the House in the spring of 1979, which would have brought about important changes in the Farm Credit Corporation's program. Since then, two elections have held up the process considerably. Nevertheless, we shall soon be in a position to submit to the government the proposed amendments to the Farm Credit Act. Without wishing to anticipate on the discussions that are still going on, I would like to submit some of the general principles we are advocating.

Many of the proposed changes are aimed at improving the program's administration, but I wish to concentrate on one important change which will allow the Farm Credit Corporation to borrow money from the private sector. If Section 13 of the Farm Credit Act is amended, the Farm Credit Corporation, with the approval of the Minister of Finance, will be authorized to borrow part of its funds on the financial market. The Farm Credit Corporation would, however, continue to have access to the Consolidated Revenue Fund. Its capital would be increased to bring its loan capacity beyond its present level of $3.5 billion. As of March 31, 1981, the Corporation was considered to have borrowed some $3,300,000. If the total demand for long-term farm credit reaches $2 billion during the next two years, as projected, the Farm Credit Corporation will have to make frequent use of the Consolidated Revenue Fund if it is to meet its share of the demand. Once it is authorized to borrow part of its funds on the private market, the Farm Credit Corporation will be able to reduce its demands on the Consolidated Revenue Fund, while being better able to meet demand for long-term credit, notwithstanding annual fluctuations.

An adequate supply of credit must be available to farmers in order to provide for rational development of the farming community and for the transfer of farms from one generation to the next. With the food industry, agriculture is responsible for 14 per cent of the actual domestic product in the industrial sector.

Do you know that Canadian consumers spend more than $30 billion on food, and that this is only 18 per cent of their annual income? Mr. Speaker, I should like to point out the very considerable efficiency of the agricultural sector and its dynamic position at the world level. Comparing world figures, agriculture is one of Canada's most effective activity sectors. Young farmers who take over the family farm or who have to acquire more land to make their operations profitable must have access to long-term credit, in order to be able to compete with other potential buyers of land. The fact is that the cost of buying farmland is increasing from year to year. Figures from the Canada Farm Credit Corporation on land purchases show that the value of farmland has increased by 158.5 per cent between June 1972 and July 1978, and this trend is continuing. Farmers are obliged to invest more and more money in their operations. Farming is becoming more and more a matter of increased mechanization and economies of scale. Production costs have obliged farmers to spread over a longer period of time capital improvements, that should be done in the short term. Borrowing as an agent of Her Majesty, the Corporation

should have no trouble borrowing part of its funds on the financial market. The Export Development Corporation is already doing so very successfully. However, the Corporation might be forced to change the conditions under which it now lends to farmers.

● (2010)

To be able to attract the necessary capital investments from the private sector without changing substantially its rate of interest to farmers, the Corporation might have to offer shorter-term bonds. It now borrows for a term of 20 years, but the proposed changes could also force it to borrow for five and ten-year terms. This could force the Corporation to review periodically its interest rates to make the terms of its bonds coincide with those of its loans to farmers. These loans from the private sector could lead to a slightly higher rate than that offered under the present formula. It could prove necessary to increase or lower periodically the mortgage rate of the Corporation. The interest rate, the terms and conditions of the loan will be set so as to cover lending and administration costs while allowing for sufficient funds in reserve as an insurance against losses. While the terms and conditions of the loans granted by the Corporation could then be less attractive than at the present time, I know for a fact that the agricultural community would support any government initiative to increase long-term credit supply at reasonable rates and to guarantee the future profitability of Canadian agriculture.

The proposed changes are the result of many letters which we have received from farmers, farm organization advisory committees to the Farm Credit Corporation, provincial agriculture departments and Members of Parliament. All of these recommended an increase in long-term credit available to farmers. The Farm Credit Corporation of Canada contributes to the stability and profitability of the family farm by allowing it to make the technological changes necessary to increase its efficiency. Figures from the Farm Credit Corporation prove that family farm operators have used credit to guarantee the success of their operations. For this to continue, they will need adequate long-term credit. I know what Canadian farmers have done in the past and what they can do in the future if they are provided with the tools they need. I know that they will continue to operate family farms successfully and to improve the efficiency of their operations.

I also know that the Farm Credit Act is a tool which will enable them to continue to produce high quality food products as efficiently as the farmers of any other country. I also know, Mr. Speaker, that if, as I have suggested before in committees, the Farm Credit Corporation were to treat Canadian farm producers on the same level as they do a business or an industry, the agricultural producer would perhaps behave increasingly better, and I would like to explain what I mean. I have suggested previously in committees that certain options should be opened to farm producers who want to reimburse their loans over a shorter period. Instead of taking 20 years to repay a farm loan, a farmer should be allowed to pay it back ahead of time without his payments being considered as income up to a maximum of $5,000, which would mean that they would not be subject to the Income Tax Act. What I am trying to say, Mr. Speaker, is that the Farm Credit Corporation could make many adjustments to put once and for all the farm producer on the same level as any businessman.

Mr. Speaker, although agriculture seems to be experiencing great hardships at present because of high interest rates, we must remember that government offers farmers many ways of protecting themselves in difficult situations, in cases of poor crops or lower than normal prices. For example, Mr. Speaker, let me mention the Crop Insurance Act. Many Canadians tend to forget that this is an extremely important tool for the farmer and I would like to quote briefly from it to show you that the producer can avail himself of the existing legislation to make his operation profitable. It reads:

> Under the 1959 Crop Insurance Act, Canadian farmers can subscribe to an all-risk crop insurance scheme. This is a federal-provincial cost sharing program designed to stabilize farmers' income by minimizing the economic effect of crop losses due to environmental causes.

I would also like to read the part which deals with crop insurance. In 1979-80, a federal-provincial agreement which is still in effect was reached with each of the ten provinces. I quote:

> Under the agreements reached with Quebec, New Brunswick and Newfoundland, each level of government shares 25 per cent of the total premiums and half of the administrative costs. With regard to the other provinces, the federal share is 50 per cent of total premiums with the provincial governments bearing all of the administrative costs.

Therefore, Mr. Speaker, Canadian farmers everywhere pay only 50 per cent of crop insurance premiums. To show you the great importance and benefits of this crop insurance program for all Canadian producers, let me say that in 1979 alone the federal government's share amounted to $78 million. It is therefore up to farmers to take advantage of this program.

I would also like to mention the Agricultural Stabilization Board. The Board was set up to provide compensatory payments for crops where prices were lower than production costs, and I would like to point out some specific sectors of production. For instance, let us consider that support payments amounting to $48 million were paid to 29,475 producers in 1980-81. This figure does not include support payments made to the dairy industry. In that industry alone, $287 million had been paid to Canadian dairy producers as of March 31, 1981. And then we might mention the stabilization of pork prices in 1980 under which Canadian pork producers got roughly $100 million. Had it not been for that, Mr. Speaker, it can certainly be said that the great majority of pork producers in Canada would probably have been on the brink of bankruptcy. We have also taken steps in the potato growing sector, for it is fair to say that 3,780 Canadian potato growers were given $21 million in 1980, most of them in the provinces of Ontario, Quebec, New Brunswick and Prince Edward Island.

I could go on listing a number of programs through which the government brought immediate assistance to farmers who were financially strapped. I would invite those farmers to avail themselves of those programs which make them feel more secure and enable them to remain very effective and very productive. Farmers are facing serious difficulties because of the rising costs of interest rates. Of course, the Farm Credit Corporation does offer certain special advantages to those borrowers. The corporation mortgage loans feature a set interest rate for the full terms of the loans. The farmers who borrowed from the corporation in recent years are not forced to renew their mortgage loans at higher interest rates, so they are relatively secure from soaring interest rates. The Farm Credit Corporation's current 16¾ per cent interest rate compares very favourably with those of many other lending institutions whose rates stand at 20 per cent or more. The corporation has always maintained an efficient collection policy which is also flexible enough so it can make certain adjustments to help the borrowers who find themselves in a temporary bind.

That policy allows for a case by case assessment, an analysis of the situation of each borrower. Payments can be postponed for a certain length of time, then when the crisis is over, they are adjusted somewhat to enable the farmer to bring them into line with the original schedule. The interest rate that applies to the back payments is the same as on the original debt. In exceptionally difficult circumstances, where the new adjusted payment would be too high, back payments may be paid off at the same time as the balance of the loan and a new schedule set up. The interest rate under the new schedule remains the same that applied to the original loan when it was approved.

Refinancing debts is one of the objectives of the loans policy of the Farm Credit Corporation. It will refinance debts incurred with a view to buying what resources are needed to set up a profitable operation, but only if that improves considerably the financial structure of the operation and the owner's chances of making it profitable. Before lending to that end, the corporation will demand that the farmer consider selling some of the capital goods that are not necessary to the efficient operation of the business; it will make sure that the reorganization of the borrower's finances will produce sufficient revenue to guarantee reimbursement of the loan. Present conditions this year have forced the Farm Credit Corporation to give higher priority than usual to debt refinancing in those sectors where the crisis is more severe.

• (2020)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I have read the Conservative motion on this opposition day. It notes the disastrous increase in farm bankruptcies. It may or may not be disastrous. It is certainly a lot higher than it was last year or the year before last. There were a lot of them in those two years, too. Of course, we still had the Conservative and Liberal governments in those years as well. It is fun listening to the black cats name-calling the white cats and the white cats name-calling the black cats. Either way, the farmers lost.

I am an ordinary prairie-type alley cat, Mr. Speaker. For many years I have watched these purebred white cats and black cats standing up in Parliament and blaming one another for what each one of them has done.

Mr. Speaker, there have been substantial increases in farm bankruptcies. That is only the tip of the iceberg. The president of the Ontario Federation of Agriculture tells us that for every farmer who goes into bankruptcy in a formal, legal way another ten quit farming one way or another.

I suspect, Mr. Speaker, that is the case right across the country. When you get to a situation where the interest payments on your land or on your machinery take the entire income from the crop you have produced, then surely you will not continue farming. We have farmers, whether they are grain, beef or hog producers or farmers in another sector of the agricultural economy, who have to use the income from most, if not all, of their current year's crop to pay the interest charges on their borrowings. Surely that is economic madness. However, it is a madness they are forced into with no other alternative.

The Minister of Agriculture (Mr. Whelan) has been snorting and stomping his feet across the country for the past year and a half. I have seen him react in a similar way to a bull in the pasture. He has been snorting and stomping with regard to bank rip-offs and high interest rates. I believe that most times when he was snorting and stomping he was perfectly right. In fact, I shall use him as my witness. The financial institutions have been, in fact, ripping off the farmer.

My good Conservative friends who moved the motion—and I have seen them do it every year over the last fourteen years, except one year when they were in power—rave and rant about high interest rates. It took them only nine months to raise interest rates by 3 per cent for the farmers, the small-business men, the fishermen and the home owners. It took the Conservatives nine months to raise the interest rates by 3 per cent, and yet the Liberals are taking a year and a half to raise it another 6 per cent. They are running about equal, Mr. Speaker. Both parties have about the same track record—it is muddy. Both parties are hollering, snorting and stomping about the same issue. There is no difference between the black and the white cats or the black and the white horses.

Would either party—if it had the power to do so—direct the Bank of Canada and the chartered banks to have loan capital available at interest rates that are geared specifically to discriminate in favour of small farmers, small-business men, ordinary home owners and ordinary fishermen? Would they really do it?

Both parties have had their chance since 1867. Neither one of them has done it. The fact that any minister of agriculture would countenance an increase in the interest rates of the Farm Credit Corporation means he has had to give in to the President of the Treasury Board (Mr. Johnston) and the Minister of Finance (Mr. MacEachen). He was told he had

two choices: it was either compulsory or he had to do it. That is the minister who says he will resign if something does not happen. Both those ministers follow the same tight money, high interest rate policy that is adhered to by the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Clark), Mrs. Thatcher, and President Reagan. It is a litany of the so-called private enterprise syndrome. It has been particularly noticeable in the last three or four years. I have yet to understand it, Mr. Speaker, and I know it is difficult for someone with my background, who is just a dumb prairie boy. I am still waiting to find out. I wish the Minister of Finance, the Minister of Agriculture, the Conservative financial critic, and the mover of this motion would explain to me again, for the umpteenth time because I still do not understand, how raising interest rates can reduce the cost of production. I have not been able to figure it out. The hon. member for St. John's West (Mr. Crosbie) when he was minister of finance and the present Minister of Finance both told us they would fight to reduce inflation by raising interest rates. Somehow or other it was supposed to reduce inflation, which would mean a reduction in the cost of production to farmers; somehow or other it would reduce the cost to consumers, somehow or other it would reduce the demand for higher wage increases, somehow or other it would provide an incentive for investors. It has provided an incentive for investors, but not investors in the farm economy, in the housing industry or in our productive capacity. It has provided an incentive for investors in everything from Canada Savings Bonds to term deposits and guaranteed investment certificates. Also it provided an incentive for investing in the United States. This is the only incentive which has been provided—"'twas ever thus, nothing changed."

● (2030)

Since coming to this place, I have listened to five or six ministers of finance. They all sounded like Herbert Hoover, R. B. Bennett or Mackenzie King. They have learned nothing in 45 years. They keep doing and redoing the same thing; they did not listen to history. They were condemned to repeat it. The problem is that they repeat it at the expense of farmers, home owners, small-business men and fishermen. High interest rates result in concentrated ownership of land. An across-the-board high interest rate policy does not distinguish between investment in productive capacity, such as farms and small businesses, and investments in swimming pools and fancy shopping centres. The federal government can and should reduce interest rates for home owners, small-business men, farmers and fishermen. They should be geared to their income. This will mean an imposition of selective foreign exchange controls. If Canadian Pacific, BrasCan or any other company has a few spare million dollars to invest south of the 49th parallel or anywhere else in the world, the national government should tell that company that we need that investment in Canada. They should be told to invest here, that they will get a reasonable return on their investment. They should be told that they have one of two choices—it is either compulsory or they have to do it. I am not interested in the person who retires, sells his little business, his farm or whatever. We must have selective foreign exchange controls in place to carry out an interest rate policy which is geared to the operations and incomes of farmers, small-business men, fishermen and home owners.

There needs to be a moratorium on mortgage renewals for farmers as well as home owners. I recall a provincial premier who tried that in 1944-45. It was opposed in the courts by the then Liberal government and supported by the then Tory opposition. At the time it was indicated that it was an infringement on the right to control or own private property, that it was an infringement into private sector investment. But there was one province which indicated that there was no way to foreclose on the home quarters or the homestead. It was taken to the courts. All the bleeding-heart Tories and Grits cried about poor farmers, home owners, fishermen and small-business men. They are part and parcel of the assistance which was extended then and is being extended now.

An hon. Member: Rubbish!

Mr. Benjamin: If it is rubbish, I challenge the hon. member to rise and say on behalf of his party and his government that a fundamental change will be made in interest and monetary policies. We will see how long he lasts in his caucus. Since neither this government nor the previous one would take effective control over the monetary policy of the country, it is time for the ordinary citizen to rebel. It is time for the ordinary citizen to tell the banks to get off their fat assets. It is time for people to withdraw their savings from Canadian chartered banks. This would amount to $130 billion. They should withdraw their savings, pool their capital and put it in credit unions, with direct interest rates geared to incomes. Instead of credit unions being required by law to adhere to the monetary policies of chartered banks, financial institutions owned and controlled by ordinary people could dictate the interest rates.

The government's restraint policy has more in store for us. The Minister of State for Economic Development (Mr. Olson) has some news for us. It is not only interest rates and mortgage foreclosures. He has news in a cabinet document which eliminates clothing and textile subsidies. I hope the hon. member for Chicoutimi (Mr. Dionne) will take his financial lecture to the clothing and textile industry of his province. The minister of state in charge of economic development has even more news. He indicated that we should find ways to make the fishery a self-reliant industry and that federal contributions to the industry should be cost recoverable. This is news for the fishermen of Canada.

Let me turn now to the Department of Agriculture. It was indicated in a document that a review of income stabilization and compensation schemes is currently under way with a view to reducing subsidies. I wonder whether the Minister of Agriculture knows about this. The document indicated that there is a cabinet committee, under the chairmanship of the hon. Senator from Medicine Hat and, further, that ways must be found to stabilize producer income without spending tax money.

Mr. Whelan: Good idea.

Mr. Benjamin: I wish the Minister of Agriculture would rise on a point of order to indicate one way, let alone 100, to stabilize producer income without spending tax money—and without using up a portion of my time.

Mr. Whelan: Mr. Speaker, the hon. member claims to be a farmer from urban Regina. He knows full well that neither the provincial government nor I am putting a penny into the coffers of farmers through provincial marketing associations or boards or through the federal system, and they are making a darned good living.

Mr. Deputy Speaker: The hon. minister does not have a point of order. He appears to be entering into debate.

Mr. Benjamin: I hope, Mr. Speaker, you will take that one minute off my time. I am glad the Minister of Agriculture said that. I have listened to him expounding for many years around here. I give him credit for supporting orderly marketing and marketing boards. I wish he would get that message through to some of his colleagues who seem to carry more weight and muscle on that side of the House. When it comes to orderly producer-controlled marketing and marketing boards, the system indicates that agricultural producers shall get their cost of production plus their living, which is all I am requesting. I defy anyone to tell me the producer of any agricultural product can cover his cost of production and make his living under the so-called free and open market system. It has never happened and will never happen, Mr. Speaker. Only those who rely, either totally or mainly, on a marketing board process have been able to achieve some measure of economic stability or financial stability.

• (2040)

With all due respect to my colleague, the hon. member for Medicine Hat (Mr. Hargrave), I want to tell him that I have listened to beef producers from all over Canada for the last 14 years. Most years they come here and ask us not to interfere, to leave them the free, open market system. But as soon as they are hurt, they are back here crying, with their hands out. They have to make up their minds, Mr. Speaker, and admit once and for all that the so-called free market system under which they operate out of Medicine Hat, Maple Creek, Regina, Swift Current or anywhere else, is based on prices set in Chicago and Montreal. The beef producer of western Canada has absolutely no say whatever in it. It is about time beef producers got rid of the delusion that somehow or other they have a say in the free and open market. It has never worked that way and it never will.

There is other news for us, Mr. Speaker, from the Minister of State for Economic Development who sits in the other place and is supposed to be a prairie boy. The committee says that the termination of the Crow rate is the first priority of a new transportation policy. This committee of cabinet suggests—and I suppose this is the buy-off—that they should buy another 3,000 hopper cars, pay $500 million for a branch line rehabilitation program and pay an annual subsidy of $500 million to $600 million. That would cost those dummies more than they are paying out now, Mr. Speaker.

The same cabinet document refers to "we". I presume that means the Minister of State for Economic Development, the Minister of Finance and the other five people on the committee. They conclude that it would be ideal if farmers paid the full price of transporting western grain. It is no wonder that farmers have no prospects, Mr. Speaker. At the moment they have high interest rates and mortgages that they will not live long enough to pay off. They have the prospect of what the cabinet committee proposes to hand to agriculture and to transportation generally right across Canada.

Some hon. Members: Hear, hear!

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it was rather interesting to listen to the hon. member for Regina West (Mr. Bejamin). It did not seem to me that he had any solutions but just the same old philosophical yarn that he has been spinning for a long time. Perhaps one of his deficiencies is that he has never lived on a farm and has no conception of how to run one.

Mr. Benjamin: I worked on one.

Mr. McCain: He feels that the only answer to the requirement is a marketing board. Let us examine the conditions where there is one of the strongest marketing structures in agriculture in the country. That happens to be in the hands of the dairy farmers of Canada. I should like to refer to a couple of lines in a document which shows the support that this strong organization has received from the government. A copy of its submission arrived in my office on June 8 of this year. In part it said that the level of government expenditures on the program may be unjustified or excessive. They contended that they were justified and, moreover, were declining in real terms at a substantial rate.

This is an organization which is not being continually supported by the government. It entered into its agreement with the government in good faith only to find that the government's contribution was declining in real terms at a substantial rate. The document went on to say that industrial milk in Canada is being substantially overpriced. It questioned the inclusion of this document among the interdepartmental committee papers as being very odd. Not only are its conclusions unsupportable, it claimed, but they are not even reflected later on in the discussion papers.

So much for farm organizations and government fair play. I would say to the hon. member for Regina West that farm organizations are not dealing with a structure that understands how to treat them.

I should like to commend the hon. member for Chicoutimi (Mr. Dionne) on his speech. Tonight, as always, he proved himself the most knowledgeable and intelligent contributor to agricultural debate from your right, Mr. Speaker. He relied

upon his knowledge of farming to present his case to the minister. I wish he would do the same here.

As is his wont when I speak, the minister is now leaving the House.

Mr. Smith: That is understandable.

Mr. McCain: Perhaps so, but it is rather offensive when it happens repeatedly.

There is another situation where a board of the Government of Canada, after extended hearings, has made recommendations to the minister. It is a report on public hearings carried out by the National Farm Products Marketing Council. It recommends that a board should be established with a board of directors comprised of two producer representatives from each province and two members representing other sectors of the industry and consumers, all members to be appointed by the governor in council on the recommendation of the Minister of Agriculture (Mr. Whelan).

It is at this point that I quarrel with that recommendation very vigorously. If we are to have a board to govern the affairs of the potato industry, it should most certainly be made up of members elected by those who will be dealing with their own fate. Those people should not be selected by the governor in council on the recommendation of the Minister of Agriculture. I believe that to be totally unacceptable and unworkable.

I should like to discuss this proposed board for a few moments, Mr. Speaker. In the provinces of eastern Canada, marketing structures are already in place which influence the marketing of potatoes. We find that when one agency or one province tries to arrive at a price, other provinces will undercut it. I am sorry that the minister is not present because I would implore him to consider what happened in exactly these circumstances in the fall of this year and see if he can determine how a marketing board can work under this structure.

I challenge the hon. member for Regina West on this as well. He has suggested that every farmer in Canada should be part of a rigid marketing board structure.

Mr. Benjamin: I did not say that.

Mr. McCain: I challenge the hon. member or any other who says that—

Mr. Benjamin: I didn't say that.

Mr. McCain: —to come up with a plan under which the Government of Canada, unequivocally and with a long-term contractual agreement, can arrange to dispose of a variable crop to the benefit of the farmer as well as of the consumer. That is what is lacking in marketing boards in the fruit and vegetable industry. The constraint of marketing does not fit in with that structure.

Some interesting things are going on internationally and I should like to mention a couple of them tonight. In the state of Maine at the moment there is a movement to try to inhibit the shipment of potatoes from Canada to the United States. I implore the minister and the Secretary of State for External Affairs (Mr. MacGuigan) to take a long, hard look at the movement presently in place in the United States, particularly in the state of Maine. On an average, we have been the recipients of more potatoes in Canada than we have exported to the United States in the last ten years. In the last two crop years we have shipped more to the United States than we have received, but historically the United States has had the positive side of the interchange of potatoes between the two countries. We have a need for their potatoes, but I submit to you, Mr. Speaker, that the United States too has a need for ours. Because for two years the balance has shifted in our favour, that is no excuse for the rigid barriers to trade which the state of Maine today is trying to establish against our products. This movement goes both ways, from coast to coast in Canada. It is imperative that government at the highest level, from the Minister of Agriculture to the Secretary of State for External Affairs, even to the Prime Minister (Mr. Trudeau), take a very serious part in the discussions which may lead to the inhibition of trade on an unfair basis. Potatoes moving from eastern Canada to the United States are of a higher quality on a grade basis than vice versa. On that basis I think we have been able to market without cutting prices and without damaging the market, yet the Americans wish to inhibit our shipments to them.

• (2050)

It is interesting to note that since the present Minister of Agriculture has been in office, he has always had to have a scapegoat. He has always had to have a crutch. He has always had to have something or someone to blame. It is never an acknowledged error on behalf of the Department of Agriculture. Today it may be the banks—perhaps we should not have any sympathy for the banks. Tomorrow, it may be the farmers who will overproduce. It may be the farmers of yesterday who were not organized and could not market. But we have always heard an excuse. There has always been something which has allowed the minister to get off the hook.

He is beginning to be recognized as the one in need of a crutch as he faces the public. What the Whelan crutch will be tomorrow has yet to be determined, but there will be one. Farmers had high expectations that there would be prosperity. Because a few prosper, and there are not that many, that is the excuse for everybody else to prosper and they should not have the minister's sympathy. It is rather unfortunate that those who need price stabilization payments have to depend upon a formula which is outmoded and inadequate. At this point a little history and a little explanation is required.

Not too long ago I spoke to an official in the minister's department. In trying to explain the cost of potato production in Atlantic Canada—and again I am sure the hon. member for Chicoutimi will agree with me—for seed or processing, say in the month of April in the year following planting, interest costs exceed the total costs of production for the same acre of potatoes ten years ago. That is how much the cost of potato production has increased. The executive member of the minister's staff stated that farmers do not borrow all the money they

use. Farmers have working capital and they keep it alive. I do not think any man in business—and farming is business today, not all that small—should be expected to arrive at a cost which does not reflect the value of the money, whether it is his money or borrowed money. If he has been smart enough that it is his money, then he should get the credit for it. If he is young enough and poor enough, as many farmers are, and it is borrowed money, then it must be taken into consideration. When interest as a cost of production is not fully considered in any price stabilization payment, a farmer is shortchanged. He cannot be anything other than shortchanged.

The formula may recommend that you take 90 per cent of the five-year average. That is what you are going to get. But in the potato industry, or any other agriculture crop, whether on the hoof or on the ground, when you look for the five-year average return or cost, you come up with a figure so far below the return you need today because of inflation that it just does not make sense to use the formula. The price stabilization payments being made today are being made on the basis of the advice given to the minister that the five-year average is what we should use.

It is imperative in price stabilization payments that we take a look at the discretionary powers in the act and that we recognize that, if a price stabilization payment is needed, the cost of the year in question is the basis for the arrival at 90 per cent or 95 per cent of their cost. I have never been one who recommended that price stabilization payments should generate a profit. I do recommend, however, that they should approach stop loss, and this is not being accomplished as the present act is being interpreted.

Farmers' operating costs are going up at a rate exceeding the increment in return in many sectors of the fruit and vegetable industry. I wonder what will happen to some of them this year.

With respect to advanced crop payments, I recommend that the minister should forthwith bring in an amendment to the act, if it is not already included in the budget, which would bring the limit from $15,000 up to $30,000. Perhaps the $15,000 was an excellent figure when the bill was introduced, but it is no longer in tune with the realities of the cost of production today. It is better than nothing, but it is not what it should be.

I also recommend to the minister, having reviewed the price stabilization formula and given it careful consideration, that we take a look at the Small Business Development Bond borrowing opportunity for farmers. This instrument of borrowing has been available only as a last resort in too many instances. It has been available only to small business as a last resort. If one bank has turned a business down, then the next bank does not want to accept that business under any circumstances, even though the SBDB is guaranteed by the government. For that reason we have to allow not only the incorporated farmer to approach government and banks for a Small Business Development Bond but also ensure that the unincorporated farmer have the same privilege. This would make a major reduction in the cost of production of many agricultural products from beef, to fruit to vegetables, to grains, in fact, the whole ball of wax as far as agriculture is concerned.

I think that is imperative if we are to keep the cost of production and the cost of food down in any way. As I pointed out last spring, it would be an instrument which would make Canada much more competitive with many of the cattle feed lots in the United States, for instance. Feed lot operators in the U.S. are able to tap emergency funds that have been in escrow for many years. They are using these funds to obtain interest rates at one half of the rates our feed lot operators are paying today.

I think agriculture in Canada has been neglected by the minister. There should have been some bridge financing. This should have been on an SBDB basis. Surely the agricultrual industry should be permitted to borrow from the lenders of this land today as big business can borrow. Surely the farmers are entitled to the same privilege.

Historically, the Farm Credit Corporation has given farmers low rates of interest, but the SBDB does not have any money to lend. It is, therefore, at a point in time where it is no longer useful to the hard-pressed farmer on a second mortgage basis or on a first mortgage basis. It does not make any difference. It is high time this was reconsidered, and reconsidered in a major way.

• (2100)

In conversation with maritime farmers I find that one of their beefs over a decade has been that the feed freight assistance program is not serving its purpose. Freight rates have gone up much faster than feed freight assistance. As a result, the competitive position in the production of poultry and meats in Atlantic Canada has deteriorated. The intention of the plan was that it should be possible to produce eggs, poultry and meats in Atlantic Canada at a competitive price, not with an advantage, with those products that are produced in other parts of Canada. That was its historic intent and I do not think the minister will disagree with that. It has slipped from that position. I plead with the minister to take a look at it.

There is an alternative I have been pleading for ten years in this regard. Let us take advantage of European technology. Let us bring in some of those varieties of grain and use them on a much more extensive basis. Let us increase research programs in eastern Canada. Why does the minister not give to the eastern grain producer one half of the present freight assistance that is extended in respect of western grains? This would encourage the production of grain in the east. Why do we not breed varieties of our own, or introduce foreign varieties which will give us viable yields? Some of those varieties with viable yields have been brought in from Europe by various means with which the minister is familiar, and they have certainly produced viable crops in areas where grain is needed.

In summary I guess I would have to say that the agricultural community needs a stable program under the Department of Agriculture. It needs the historic assurance that if and when a

sector of agriculture is not prospering, but is suffering serious losses as many of them are today, the price stabilization board will in fact be a stop-loss. I say to the minister that so long as this is settled by a committee of cabinet ministers, including the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the Minister of Finance (Mr. MacEachen), and so long as the Minister of Agriculture is in a secondary position, this subject matter is not going to receive the consideration which is necessary for perhaps Canada's biggest local consumer, its biggest food supplier and the one with biggest impact upon the cost of food in this land. Stability can be introduced by a sincere governement, and with an influential minister we do not need to be in the doldrums or in the position of uncertainty which we have experienced in the last ten years.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am afraid I cannot agree with the comments of the hon. member for Carleton-Charlotte (Mr. McCain) or the hon. member for Regina West (Mr. Benjamin) about the hard-working, conscientious Minister of Agriculture (Mr. Whelan) and his ongoing efforts on behalf of the producers who find themselves in a bind in dealing with the banking institutions in Canada.

Only today I received a request for help from a grain elevator operator who has been facing receivership, not because of a lack of equity, but because of a lack of ready cash. He has been placed in receivership during the peak of the corn harvest because he missed one monthly payment on his mortgage. Another example is a farmer in my area who called me for help today. He revealed that he is being charged 30 per cent interest by one of the banks because he is behind in his payments. I wish to advise members of the House that under the authority of the Bank Act the inspector-general of banks has, as one of his obligations, the duty to act as an ombudsman to examine such abuses and disputes between the lender and the borrower. Believe me, he is available and he is effective in cases such as this.

Perhaps the current problems confronting some sectors of our agricultural economy today, particularly in eastern Canada, are the result of the bumper crops we have had throughout western Canada, most parts of central Canada and in the maritimes. These bumper crops have brought about lower prices. These lower prices have been caused in part by a supposed surplus during the peak of harvest, but also as a result of dropping currency values in other countries. For example, the currency values in England are down 21 per cent compared to the Canadian dollar this year, in France by 20 per cent, and in Germany by 18 per cent. When the currency values of these countries drop, naturally the grain marketers price the product accordingly, and the farmer ends up taking the loss.

We also have higher input costs due to increased energy prices and interest rates. Again we cannot discount the fact that decisions made in other parts of the world have a dramatic effect on our price structures here in Canada, particularly for those commodities which do not come under a marketing organization or an authority to set prices according to cost of production with a reasonable return to the producer.

As a matter of fact, Alvin Toffler, author of the "Third Wave," points out that no longer can we expect in this country, or in any nation, to isolate ourselves completely from policy decisions made in other countries, because we are serving a global market, not just a domestic market.

It is interesting to note the stability of those products under our national farm products marketing program, or legislation in that area. Those products which are subject to the cost of a production formula do not suffer the same hardship as those produced in a free enterprise price system. I am speaking in this case of poultry meats, eggs and milk. Let me state to those opponents of these plans who suggest there is a high quota value built into the cost of production formula that there is no quota value at the national level. If there is a quota value involved, it is at the provincial level, under the provincial area of jurisdiction. Consequently those values are not included in cost of production formulas and, therefore, are not added costs to the consumer. Rather, those products are operating in a system of planned production, production planned for both domestic and export markets, at a reasonable price for both the producer and the consumer.

Perhaps I should refer to a study done in 1979 by Mr. A. Cayer comparing the price of eggs in Canada and in the United States at both the producer and the consumer level. The Canadian producer was receiving more than his American farm counterpart but the Canadian consumer was paying less. The consumer in Toronto, for example, was paying less than the housewife in New York. Our producers had a narrower margin between the farm gate price and the consumer price, to the benefit of society.

By contrast, producers such as beef producers have no countervailing force in the marketplace. Consequently, we see here in Canada very few but large supermarket chains, but when they decide to increase the margin of profit—that margin between the farm gate price and the selling price—the producer suffers. I submit to you that the current price war taking place among the supermarkets in Ontario at the present time will reflect dramatically lower profits or incomes to beef producers in Ontario. As a matter of fact, I suggest to you, Mr. Speaker, that the only products on which they will not lower their price are those they have to import from other countries, and the consumer will be paying for those products through the nose. In fact, one very large buyer of beef cattle withdrew from the marketplace on two afternoons last week and broke that price structure in the so-called free enterprise system by approximately $6 per hundredweight. I suggest that this is just a start of the drop on the price of fat cattle across Canada which will be an added burden on the beef producers of Canada.

• (2110)

I am a beef producer and an egg producer. I know the hardships, and if I had to make a choice between which product I would delete from my operation, it would have to be

the beef operation until such time as some order can be brought to the marketplace.

I submit that there is a desperate need in the marketplace for a countervailing force on behalf of the producers to deal with these very large and complex retailing chains that are creating havoc in the industry.

I would ask those who disagree to explain the price spread between the producer and consumer for A-1 and A-2 steers in Toronto of 45 cents per pound on a dressed basis in 1977 and $1.18 a pound in 1980. That is an increased price spread of 271 per cent. It is no wonder that the beef industry is sick. The producer prices did not increase by that much. It is not hard to see where these profits are going. By comparison, price spreads in the egg industry in that same period, between the producer and the consumer, increased by 25 per cent.

Although there is much discussion in this House about agriculture, it is also a provincial responsibility. It is interesting to note that in five out of ten provinces, the provincial budgetary expenditures are greater than the federal government expenditures. In eight of the ten provinces, certain classes of producer receive interest rate subsidies. I must admit as an Ontario farmer that I am getting an inferiority complex because, as the slogan says, "We stand alone."

I will now quote from a brief submitted on October 5 to the Federation of Agriculture Task Force by the Lambton County Federation of Agriculture. I am sure you will agree that we in Ontario have some serious problems. The brief says:

> In Ontario it seems unrealistic to operate a farm for a period of years and walk away from a failing endeavour, sometimes with nothing. This is happening, however, and even though those who are leaving agriculture seem to be small in numbers, they are in fact many of the young farmers that will be needed in future years. A young farmer who is 37 years old who has been farming since the age of 25 and is forced into leaving the farm has much more to lose than just money. These individuals have given the best years of their lives to a failing industry and country. How can anyone put a dollar value on those years? The way in which lending institutions and individuals, both professional and federal, are treating the issues that face agriculture would seem to indicate the years of hard work are without value. This is not just an over-simplification of a problem but in fact is the reality of the situation for many young area farmers. The banking institutions must share the larger responsibility for the present day crisis in agriculture.
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> As recently as 1980 banks encouraged many farmers to expand their operations, to buy more machinery and of course to borrow more money. At the time interest was much lower and the cash flow projections that a farmer presented generally indicated that farm expectations were viable but in many instances might have been marginal. Often bankers and farmers hoped for high commodity prices that may have been unrealistic. Many bankers that were approached for the purpose of this study believed the commodity prices had to improve because costs of production were always getting higher and these increased costs surely must be a global phenomenon. For example, the world wide increase in fuel costs should be seen in commodity price increases. In the U.S.A. state and federal programs were established to help the failing agriculture industry. Machinery companies offered unusually low interest programs. The American farm cost increases were up not nearly as high as the Ontario farms. In the rest of Canada provincial governments seemed to anticipate the growing problems. Many provinces began interest subsidy programs to keep their province's agricultural businesses viable... To our disappointment Ontario has no current industry subsidy programs. If we remember the program last year, we realize that the subsidy offered was 3 per cent of total interest to a maximum of $3,000 rebate. The $3,000 figure was barely the tip of the iceberg that most farmers, particularly young and new farmers, had to face. That situation seemed rather peculiar to Ontario farmers. How is it that Ontario, one of the wealthiest provinces, and certainly one of the largest in population, is not and has not provided a subsidy that would protect its agricultural interests from the present inflationary spiral? The answer, I am afraid, may in fact be political.
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> The rural community is probably about 5 per cent of the population in Ontario and the consumer community which puts our politicians in power, is the balance of that population. Government cannot support a smaller sector of society at the price of losing both. The rural vote is really not that aim; at least this appears to be the case. Private business would certainly expect the same kind of subsidy. Interestingly enough, this has not been the case in other provinces, with a possible exception of Quebec. The solution in Ontario may not be as complicated as it seems. A high profile campaign aimed at educating the urban centres about agricultural productivity in Ontario and its importance to food production in Ontario would seem to be necessary. The public must be made to realize the fact that only through higher Ontario agricultural productivity can they be guaranteed a continued supply of high quality products at the supermarket.
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> The Lambton County Federation of Agriculture further recognizes that the criteria that lending institutions use to lend money must remain fairly static when considering farm operations. Farming operations do not lend themselves to fast changes in terms of their production. The banks should be forced to honour previous commitments and should change their policies to accommodate farmers facing financial difficulties. Lending institutions that have encouraged the development of farm operations along certain lines should be forced to continue to support these operations. The lenders themselves should be penalized along with the producers if there need be a penalty at all.
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> In most instances, banks have contributed to the decision-making of farm operations. Bankers have always been thought of as having a certain expertise in financial matters concerning the farm. In the past few years they have proven to the farmer that the chances of them making the correct decision are about as poor as the farmers'. This has resulted in an underlying feeling of resentment that the farmers seem to have for the lender. Bank managers only wish to ensure that the banks get what is coming to them. Farmers are experts in the job of farming and they see bank managers as being inexperienced or incapable of making proper decisions when it involves the operation of a farm. They are playing a dangerous guessing game trying to anticipate what the next move will have to be. This can obviously be seen in the Bank of Montreal's Small Business Development Bond for farmers. If the government does not approve the SBDB program for farmers then the results to marginal farm operations who receive the benefits of the bond will be disastrous and of course the banks will appear as if they really tried to push for the program but the government let them and the farmers down. The government will have appeared to be the villain in the case when actually the bank has only manipulated the situation to produce this result.

This quotation from the Lambton Federation of Agriculture is most interesting. They conclude by saying:

> The task force must insist that the Ontario government be made responsible for the needs of the farmers' communities in Ontario.

I wish to compliment the Lambton Federation of Agriculture on this document and its conclusion.

In closing, I wish to say that the Minister of Agriculture has legislation at his disposal that would enable the producers of Canada to direct, plan and control their destiny, if and when the majority of producers in Canada or a region of Canada request it and its implementation. I am speaking of the legislation I referred to earlier, the Farm Products Marketing Agencies Act, which allows producers, either through declaration by lieutenant governor in council or following plebiscites, or by other means, which could include a petition, to organize, to set their own prices, to market their own products or plan their production based on need, whether it is for domestic consumption or for export. I suggest to producers that this is one of the moves they will have to make if they are to have that countervailing force in the market to which I referred earlier. I suggest that we examine what is happening in the total context of where the problems are in agriculture at the present time. Certainly it is those who have at their disposal this legislation and who are currently using it who will weather the storm.

• (2120)

I would like to draw retail food prices as of October 15, 1981, to the attention of the House. Beef prices were down 4.6 cents, although live cattle prices in Toronto had remained unchanged for a few weeks. However, this was the start of the price war among supermarkets. Pork prices were up by one point, but retail pork prices, they say, are likely to come under downward pressure, as 100 index hog prices in Toronto fell by $5.15 per hundredweight during the first two weeks of October. They too are heading into difficulty. Poultry meat prices are up slightly, reflecting the termination of Thanksgiving specials on turkeys. The price of eggs is up by 0.1 per cent, and the index there is expected to remain steady during the next few weeks and several months ahead. Dairy product prices are up only 0.9 per cent, and they are expected to remain steady. The price of vegetables is up 4.2 per cent due to higher prices, again for imported fruits and vegetables.

In closing, I suggest to members of the opposition that the Minister of Agriculture has other legislation in the works. He would like to have it introduced to relieve pressures on the farmer. The best help we in Parliament can provide to the farmers of Canada is to allow the government to proceed with its workload, to pass Bill C-48, and to get on with other pressing legislation, which will relieve the pressures on the farmers of Canada and allow them the stable incomes they so richly deserve.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is interesting that the hon. member for Lambton-Middlesex (Mr. Ferguson) should say we should get on with Bill C-48. I would have thought he would realize that if we defeated Bill C-48, the Canadian dollar would show some real strength in the marketplace, interest rates would come down, and it would not be necessary for this government to continue to have a 5 per cent interest differential, as is presently the case, with the United States. It is this very program of the government which caused us to bring forward the motion we are debating tonight.

The hon. member for Lambton-Middlesex did make some excellent suggestions. He said that the price spread on beef had changed dramatically. I would have thought he would make that suggestion to the Minister of Consumer and Corporate Affairs (Mr. Ouellet). The minister has been in charge of that department off and on for a long period of time. Perhaps now that the hon. member for Lambton-Middlesex is Parliamentary Secretary to the Minister of State for Small Businesses and Toursim, he will investigate supermarket price spreads. Whether he knows it or not, the province of Ontario is not responsible for interest rates. That responsibility was clearly set out in 1867 as a responsibility of the Government of Canada. There is no point in the hon. member for Lambton-Middlesex, or any other member of this House, suggesting to the people in his riding that it is the province that should be responsible when we have interest rate problems. It is not a provincial matter, it is a federal matter and the hon. member knows it.

Mr. Ferguson: How about the other provinces? Co-operative federalism!

Mr. Blenkarn: The hon. member refers to co-operative federalism. If we had co-operative federalism in this country, we would have nowhere near the economic problems, dislocation problems and disharmony we have.

One might wonder why a member from a riding with absolutely no farms in it—there is not a chance of a farm, although my constituency did have one at one time—should be speaking about an agricultural matter.

Mr. Deans: Why not?

Mr. Blenkarn: I agree with hon. members to my left. It is good that we do so because it is important that members from all parts of Canada speak about the interests of farmers. We all like to eat three square meals a day, and we all ought to understand that if we are to eat well, those who produce the food we eat must be able to make a dollar or two. There is no question that farm incomes have reduced dramatically this year and last year and that high interest rates are seriously hurting our farm community, particularly young people coming into the farming community to take over their fathers' farms or other farms. I refer to people such as a young Rover Scout of mine who decided, after working at construction for some period of time—he is a graduate from Guelph—that he ought to go into farming. He used all the money he could save, borrowed some money from his family and one thing and another, and went out and bought a farm. A farm and its equipment and cattle cannot be bought for less than $300,000 or $350,000. I do not know how many young men wishing to go into the business will be able, even scrounging at every source, to pick up more than $60,000 or $70,000. That means there is not a young man anywhere who can go into this business unless he is prepared to borrow a quarter of a million dollars. If such a young man were so prepared, he would be forced or induced to borrow at prime plus. That did not sound so bad in 1978. At that time prime was 8.25 per cent. Prime plus 1 per cent was 9.25 per cent. That was pretty reasonable. It was less than 10 per cent. However, prime plus 1 per cent today is 21 per cent, and prime plus 2 percent is 22 per cent. On a quarter of a million dollars, the difference is well in excess of $25,000. That is a lot of money. The difference is the possibility of paying back such a loan, the possibility of keeping a farm going, going bankrupt or not going bankrupt.

Earlier today in his speech, the Minister of Agriculture (Mr. Whelan) said that the banks are wrong, that they should not have lent money at prime plus and that they should have insisted on term loans. Hindsight tells us he is right, but everyone realized that prime plus was a fair way to go. After all, the prime rates in this country did not vary too much. They varied perhaps 1 per cent or 1.5 per cent, but not much more than that. For years and years prime rates in this country remained stagnant. I said that in 1977 the prime rate in September was 8.25 per cent. The rate a decade before was only 6 per cent. There was not much difference. However, what has happened is that this government has lost control of

things. It has no ability to manage, so it has allowed the prime rate to go up and up and up with the thought that this would control inflation. This policy does not control inflation. It destroys production and producers. When interest rates rise, people who cannot pass the increases on are put out of business. If they can pass the increases on, prices increase. The result is that prices go up in both cases. We had a situation in the past three or four years where prices have been continually rising. We have seen a bank policy that tried to control inflation by controlling interest rates. Interest rates have been raised presumably to reduce inflation. Now we have 12 or 13 per cent inflation and a 20 per cent prime rate.

• (2130)

We have been told that this will eventually reduce inflation. That is nonsense. It is a disaster. It is not only hurting us but tearing us apart, and is particularly disastrous in the farm community.

Farmers are the only people in our society who are expected to buy retail and sell wholesale. There is no way that a farmer can pass on the costs of his interest. A manufacturer might include that in his cost of production and pass it on in the wholesale price. A storekeeper might include the cost of carrying his inventory in his overhead and pass it on. However, how would a beef farmer or one inolved in a cow-calf operation do that? There is no way he can.

A calf born in 1978 might have produced offspring this spring. However, it might not produce until next spring. It depends on how competent the farmer may be. How can a cow-calf operator pass on his interest rates when to produce an animal it takes probably 27 months from birth to the next birth? It is totally impossible.

What does this government which is responsible for interest rates do? The minister blames the banks. He says they are terrible fellows. I suppose they should not have lent money to the farmer. What does the minister propose? He has huffed and puffed around the country. We will see after November 12 whether there is something for the farmers, or perhaps he will huff and puff his way out of the cabinet and out of this House.

I wish to make three suggestions as to what the minister might include in his budget. In a sense these are only band-aid measures. Looking at the high interest rate policy of this government, it is essential that it be prepared at least to extend the concept of the Small Business Development Bond into farming. The government should at least be prepared to allow unincorporated farmers to use the bond system. I agree there is a benefit to the big lender. However, it gives the farmer money at perhaps prime plus one.

There should be three kinds of small business development loans. First, I suggest some kind of small business development long-term bond, for example, 20 years on a fixed term for the young person going into business, to be amortized. This would help him get into business. If we do not have new farmers, we are dead. The people in Peel talk about saving Peel for farming. Unless there is someone to farm it, you can have all the agricultural land you want, but what good would that be? You need someone to sit on the tractor. The old fellows are getting older. We need young farmers in the game. Therefore, they must be given a chance.

Second, we should have one-year Small Business Development Bonds for the farmer on a roll-over basis so that he can buy his feeder cattle in the fall or finance his grain crop in the spring and pay it off in the fall. He should be able to pay it off with interest that comes out of capital. He might find it better to borrow on a regular basis, but he should at least have that option. Third, I suggest the Small Business Development Bond on a fixed term of seven or ten years so that he can buy equipment, rather than bonds on a short term which the banks insist be amortized over five years. My colleague would like to speak further on this matter tonight.

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I should like to use the few moments allotted to me to state the facts as they are and point out the unquestionable efforts made by this government for many years to help the Canadian farming community. The federal government, mainly through the Department of Agriculture, the Department of Industry, Trade and Commerce and the Department of Regional Economic Expansion, has been implementing a number of programs designed to improve the efficiency of the Canadian food and farming sector and to provide producers with fair revenues while of course providing Canadian consumers with a proper supply of first-rate products at reasonable prices.

• (2140)

One of the main programs to which I wish to refer comes under the Agricultural Stabilization Act which was amended in 1975. It is designed to provide a certain amount of balance between the price which producers can obtain for their products and the cost of goods and services which they must purchase. The legislation guarantees to the producers of nine commodities listed in the legislation an income which at least amounts to 90 per cent of the average market price during the five previous years and an adjustment to take into account various production costs. Under that legislation, Mr. Speaker, the costs and prices are determined annually for the nine commodities mentioned in the legislation which are of course, beef, pork, lamb, milk, industrial milk, corn, soya beans as well as oats and barley coming outside areas designated by the Canadian Wheat Board. Other products may also be designated for price support under the Agricultural Stabilization Act, at the discretion of the Minister of Agriculture if in his opinion market conditions warrant it.

The nine commodities for which a support price is mandatorily calculated every year include all the major animal and vegetable lines commercially produced in Canada. The main objective of the Agricultural Stabilization Act is to stabilize the income of farm producers against the market hazards. But it is also aimed at protecting the family-type operations and indeed at promoting this type of operation in the agricultural

sector. Moneys paid out to agricultural producers under the various federal stabilization programs are limited to a given volume of production per farmer or farm in the case of corporations. Thus, government aid is aimed at farmers who are directly dependent on the market for their income, and not at big corporations we all know in the food business.

As of March 31 of this year, the federal government had paid over $3.5 billion under the Agricultural Stabilization Act, which included payments made by the Canadian Dairy Commission. These stabilization payments have helped put Canadian producers in a better competitive position on the market and promote the development of stable Canadian sector. There are several other federal programs aimed at providing a more reasonable return for Canadian farm producers by enabling them among other things to obtain better prices on the market while guaranteeing that market prices also take production costs into account.

Under the provisions of the Agricultrual Products Marketing Act, the National Farm Products Marketing Council monitors the activities of the national egg, turkey and chicken marketing agencies which were created under this act in 1972, 1975 and 1978 respectively. These agencies co-ordinate the activities of provincial boards as concerns supply and prices during the three previous years. Under these programs, Canadian egg, turkey and chicken producers get a return that is proportionate to their production costs, their work and their investments. Costs, such as prices of poultry feed and interest rates, are taken into consideration in the pricing formula for these products. While there is no guarantee that the prices will cover all production costs, prices have not fallen below cash production costs since the establishment of these agencies.

Other federal programs are designed to achieve the basic objective of the Canadian government's agricultural policy, which is to protect the Canadian agricultural food production sector and promote its development and efficiency. I am thinking about another extremely important piece of legislation for this sector concerning crop insurance. Under the Crop Insurance Act, the provinces receive certain amounts to provide a comprehensive insurance plan for farmers. While some of the elements of the plan may vary from province to province, the objectives at the national level remain the same, namely to stabilize the annual income of farmers and minimize income fluctuations resulting from a decrease in production due to unforeseeable natural causes. Crop insurance is offered to all farmers in the ten Canadian provinces and covers most major crops. In 1980-81, for instance, over 113,000 Canadian producers were insured for a coverage of over $2.3 billion. Farmers were eligible last year to compensation exceeding a quarter billion dollars or $254 million. The federal contribution to the crop insurance plan for 1980-81 is now just under $100 million.

The Advance Payments for Crops Act also helps Canadian producers to sustain larger inventories for a certain period of time and to take advantage of better market conditions later in the season. The act has been in effect since 1977 and enables groups of storage crop producers to benefit from interest-free loans in order to pay advances or advance payments to their members. Thus, producers can pay production bills right after the harvest, as if they were selling their crops at that time. And consumers can buy fresh Canadian products over an extended marketing season. So far this year, the federal government has paid a total of some $3 million interest on amounts advanced to farmers.

Another program which has promoted marketing of Canadian farm products by helping producers financially is a federal financial assistance program for the construction of fruit and vegetable cold storage facilities. Under this program, groups of producers receive substantial financial assistance for the construction or renovation of storage facilities for fruits and vegetables. Many farm groups have benefited from this program which was started in 1973. So far, the government has spent more than $15 million towards completion of nearly 200 projects.

I could go on for quite some time if I wanted to enumerate all the federal programs and policies aimed at providing financial assistance to Canadian farmers and at helping them to become more efficient and to operate within the open economic system that is typical of the North American food market. Our farmers are efficient, and besides being able to compete with many imported products, they also are able to compete successfully on various foreign markets.

There is a whole array of measures in this session's legislative program that are designed to provide increased help to the Canadian agri-food industry. These are not novel measures and will surprise no one. A number of them are at the second reading stage, such as the measure to amend the Farm Credit Corporation Act to allow the corporation to seek funds on the private financial markets in order to better meet the credit needs of Canadian farmers. Everyone knows also that there is a piece of legislation to establish the Agricultural Export Corporation, the so-called Canagrex.

In July last, the Minister of Agriculture (Mr. Whelan) published a discussion paper on an agri-food strategy, which refers to the growth potential in that sector over the next two decades, and identifies current constraints to growth. Canada could increase its food production by two thirds before the year 2000, doubling this year's current dollar value.

This document proposes a strategy based on market development, increased research and the strengthening of the supply base. The federal proposal has been very favourably accepted by the various parties in the agri-food industry and also by the Canadian provinces. The Minister of Agriculture and his officials met with most provincial ministers of agriculture, to discuss that strategy and priorities to be allocated to the various proposals in order to eliminate constraints to growth in the Canadian agri-food industry. Meetings have also been held

with a number of non-government agencies such as the Canadian Federation of Agriculture and the Canadian Food Processors Association, which also had very favourable comments for the strategy put forward by the Minister of Agriculture of Canada.

It is easy to suggest that this government has failed in implementing policies and programs designed to maintain a strong and fully developed agri-food industry. It is just as easy to prove, based on facts and figures, that the Canadian government has shown such undeniable leadership in agri-food policy as to put Canada among the four countries in the world that are net food exporters.

Besides, Canadian agricultural exports would not have the positive effects they are known to have had the government not played its role of assistance to this very important economic sector. Mr. Speaker, having had the privilege of serving as parliamentary secretary to the Minister of Agriculture, I must say that many programs have been set up not only by the federal government alone but also in co-operation with the provinces, and because I have worked hand in hand with the Minister of Agriculture, I can assure the House that I have been most happy to see not only what has been done in Canada but also what has been done by us for developing countries.

I have been interested for several years in world food aid and Canada is second to no other country as far as food aid is concerned. I know about Canadian producers, and here I refer especially to our colleagues from western Canada, an area that has contributed so much to Canada's food exports, and each time I have been given the opportunity to visit that part of the country, I have realized how better acquainted with the facts of food aid the western provinces are than central Canada or the maritimes. Which does not mean that the maritime provinces, Quebec and Ontario are less interested in the food aid issue, but I think that because they acted somewhat as pioneers in Canada in the area of assistance to underdeveloped countries—I mean in food assistance—the farmers of western Canada, as far as I know and especially as far as I could ascertain when I had the privilege to serve as parliamentary secretary, are very much aware of the assistance which Canada is providing on an international level to the have-not countries of the world and where people are undernourished or dying of hunger.

In conclusion, Mr. Speaker, I must say that although agriculture is not a top priority in the constituency which I have the honour to represent in this House, there being no farms there, mine being essentially an urban constituency, farming in Canada is of paramount importance to all Canadians, because we all have to eat and agriculture provides us with an abundant source of nourishing food. I have also had the opportunity to visit underdeveloped countries and appreciate the effort Canada is making. I came back to Canada convinced that we could increase substantially the level of our aid to Third World countries and especially that we could help underdeveloped countries develop their own agriculture.

It is a well-known fact, Mr. Speaker, that there are tens of thousands of people every year who are not only undernourished but who are dying from starvation, and I feel that it is a real shame that some countries should spend such huge amounts of money to arm themselves while devoting such a little share of their national budget to develop their agriculture. Together with the Minister of Agriculture, I have had the opportunity to take part in a number of FAO conferences in Rome and to visit a number of underdeveloped countries both in Latin America and Africa, and I can assure the House that back in Canada when we realize the tremendous potential of our farm industry, we are proud of all our past and future achievements. I must say that agriculture in Canada, which has already been mentioned by several speakers during this debate, is one of our major industries. High interest rates affect all Canadians, but in some parts of the country farmers are affected most. And I recognize with the opposition which has introduced this motion that solutions must be found to this high inflation and mostly high interest rates dilemma which, I hope, is only temporary.

Mr. Speaker, I certainly hope that our colleagues across the aisle will recognize this, and I do believe that several of them, who have sat on the Committee on Agriculture, will also recognize that the federal government, and I do not mean only the present government but all previous governments, has done everything in its power to provide Canadian farmers with all that they need so that Canada may continue to be one of the most progressive agricultural countries and, especially, the best fed country in the world.

Finally, I would like to pay tribute to the Minister of Agriculture. Perhaps I am a bit biased for having worked with him, but if there is someone who has stood up for the cause of agriculture both in caucus and across Canada it is certainly this minister, and also for having acted in his capacity a number of times, I can say that everywhere, be it in the maritimes, in western Canada, in Ontario or in Quebec, people have always had the highest regard for him, because agriculture means a great deal to him, and because he defends it as best he can, and he does so admirably well.

• (2150)

[*English*]

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is easy to agree with this motion condemning the government for its treatment of the agricultural community. Among the many faults the government must bear, clearly the major one must be its treatment of agriculture. There is no doubt that the farmers of the nation should be in the streets rioting. The government has failed to respond in any meaningful manner to their needs.

What has the Minister of Agriculture (Mr. Whelan) done for energy? The last tax increases imposed upon energy will

put $50 billion into federal coffers. As Canadians we will all share a portion of that through automobile gas and home heating fuels, but 320,000 Canadian farmers will bear an inordinate share because the money which is coming in will be used for general purposes, not specific agricultural ones. Thus farmers will bear an extra burden in paying for their farm fuels, for their fertilizers, and for their chemicals. It is unfair to put that on the backs of 320,000 farmers. It should be a tax borne by the general population because the $50 billion is being used for general purposes.

What has the Minister of Agriculture done? He travelled across the country bragging about how cheap food is. For a 21-item food basket he brags that Canadians spend $55.58 as compared with $135 in Japan. The Minister of Agriculture should not be going around the country bragging about cheap food because the cost of cheap food is that farmers dropped away one by one, in the dozens, and now in the tens of hundreds. This is the cost of cheap food. Surely it is not something for the minister to brag about. He should be travelling around speaking to city groups. He should be saying to them, "Folks, you have had cheap food. It has cost us enormously because we have lost many agricultural producers". Why is the Minister of Agriculture not doing that?

Mr. Whelan: I am doing that, and you know it.

Mr. Thacker: What is the Minister of Agriculture doing? I have read all his speeches. I do not see that in any of his speeches.

What is the Minister of Agriculture doing about the capital gains tax? He was elected on a promise of changing V-Day to 1974. They did not honour it. He is party to a white paper which claimed that now they will increase the tax to 100 per cent. We will know when the next budget comes out whether the Minister of Agriculture has any sway in cabinet at all. I do not think he does. It is very regrettable because the 320,000 farmers of Canada need a strong and influential spokesman on that side of the House. The Minister of Agriculture, I say with great respect, has lost that. What has he done with the capital gains tax?

Mr. Whelan: Over half of them are financially well off because they are in those good programs. No other country in the world—

Mr. Thacker: He has done absolutely nothing. Everyone who lives in cities, the urban citizens of the country, get their homes—and this is their major investment—totally free of capital gains tax. But the government is putting capital gains tax on farmers, the productive side of the country.

Mr. Whelan: Farm homes are tax free.

Mr. Thacker: They are not only taxing the gains. They are taxing capital because the increase in value does not have anything to do with the real gain. It is an inflationary gain. The government has let them down badly.

Mr. Evans: They have the lowest tax rate of any group in our society.

Mr. Thacker: The hon. member for Ottawa Centre (Mr. Evans) should know better. Surely he wants to have his children fed.

May I call it ten o'clock?

[*Translation*]

The Acting Speaker (Mr. Blaker): Order, please. It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 589(11) the proceedings on this motion have now expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VIA RAIL—(A) ELIMINATION OF ATLANTIC LIMITED TRAIN SERVICE (B) REQUEST THAT MINISTER MEET NEW BRUNSWICK REPRESENTATIVES

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, most of the applications for rail passenger abandonment during the past few years have been rejected by the Canadian Transport Commission, but the very people who have been unable to convince this impartial body of the merit of their arguments in favour of abandonment have apparently been able to convince the Minister of Transport (Mr. Pepin) that it is a desirable step. The minister has cancelled one half of the rail passenger service in the maritime provinces. In doing so he has made a mockery of this government's commitment to the principle of regional development. The minister has bypassed the democratic process. He avoided Parliament by making this announcement after Parliament was adjourned by closure. He has refused to see municipal officials from southern New Brunswick whose communities are directly affected by this cutback. He has ignored his provincial counterparts, particularly the minister of transport in the province of New Brunswick.

The minister said he would account to the transport committee for his conduct and would give his reasons, but his colleagues and the minister will not permit the committee to sit until after the cruel deed is accomplished. This shabby charade written for the Minister of Transport by the madhatters in his department is most unlike the gracious gentleman we have come to know in this House.

I want to call upon every Member of Parliament from New Brunswick not to be content with comments made outside the House but to stand up in this House and oppose these severe

cutbacks and condemn the ruthless and undemocratic way they are being made.

The Atlantic Limited has moved more people on the shortest distance between Halifax and Montreal than any other rail passenger train in the maritime provinces. The minister has refused to make public the 1980 monthly revenue expenditure and ridership figures for the Atlantic Limited. I asked him, in writing, to do this long before Parliament resumed this fall.

We have learned from independent sources that over 200,000 people have travelled on the Atlantic Limited in 1980, and that more have travelled on it in 1981. We know for a fact that over 140,000 people travelled through McAdam, New Brunswick, en route to and from Montreal.

The visiting Prime Minister (Mr. Trudeau) stuck his nose into the debate last week and indicated that for every dollar spent on tickets the Government of Canada had to contribute two dollars. He did not tell us that for the air mode, the figure is in excess of $2 and for the limited marine transport in Canada it is even larger. I do not know what the Prime Minister thinks Canadians pay taxes for if not to hold our country together with a reasonable and responsible transportation system. Most certainly we are not paying taxes to buy him a new stone desk or pave his driveway or keep him in matches and candles.

One good thing to come out of this whole mess is that the Halifax-Saint John, New Brunswick, rail liner has been extended to Fredericton. I look upon this as a progressive move, but again, when a good move is made, the madhatters in the Department of Transport work on the schedule. The train is scheduled to leave Fredericton at 2.15 in the afternoon and arrive in Saint John at four o'clock. I ask you to guess when the return trip from Saint John to Fredericton leaves, Mr. Speaker? It leaves at ten minutes after four—just ten minutes after passengers arrive. Saint John is a great city but what can anyone do in ten minutes? If they could do anything in ten minutes, is it worth the time and expense of getting there and back?

The train goes on to Halifax where it arrives at 10.50 at night. It leaves there at 9.40 the next morning, so at least you could get a good night's sleep in Halifax although it might be a pretty expensive one!

For passengers travelling west from Fredericton the story is even sorrier. It now takes 13 hours, and with the new system it will take 20 hours. It seems that people are at work in the Department of Transport trying to discourage rail passenger service.

I would ask the parliamentary secretary to use his good offices to see if the schedule could not be revised so that more people could ride the trains, and thus help improve the service. The cruel abandonment of the Edmunston to Moncton daylliner contributes to the isolation of Plaster Rock, Napadogan, McGivney, Minto and many small communities in southern New Brunswick which do not have an alternative form of public transportation. Plaster Rock got some good news on September 29 from the CTC. An order was made that the existing station facilities at Plaster Rock be kept clean, heated and lighted for the comfort and convenience of the travelling public. But on November 15, there will be no travelling public.

• (2205)

The way to go, I suggest, is to modernize and use the light rapid comfortable trains. Therefore in April, and again in May of this year, I urged the minister to include the maritimes in this train system and to bring these more modern trains to downtown Fredericton. On July 14, I received a letter from the vice-president of VIA Atlantic who referred to my correspondence to the minister and said he was answering for him. His letter reads:

> When the LRCs were first ordered in 1977, it was our firm intention to assign two train sets for operations in the maritimes. However, conditions have changed considerably since then. We must now live within a financial envelope system for rail passenger service in Canada, and in order to ensure that the best possible return on investment be earned by the LRCs, circumstances dictate that we must use the first ten sets in the Quebec-Windsor corridor.

When the minister was in Saint John, New Brunswick, a few weeks ago and lecturing politicians to the effect that we should be unpopular, advice which he himself has taken very well, he indicated that maritimers would soon be travelling on the LRCs. Where? In the Windsor corridor? I would like the parliamentary secretary to clarify this matter for us tonight and indicate that maritimers will be travelling on the LRCs in the maritimes.

My final request tonight is for the visiting Prime Minister. The next time he goes around the world on a tour, will he please take the Minister of Transport with him?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member asked if there was reasonable doubt about the correctness of the government's decision to terminate some VIA Rail services, particularly in New Brunswick.

The government's decision was taken only after careful consideration of all the factors. It was not an easy one. It was recognized that the discontinuance of certain services would cause some inconvenience, but it is hoped that those affected will be able to adjust relatively quickly.

The reason for discontinuing the Atlantic train is based on the extremely high cost of operating transcontinental services. The Atlantic and the Ocean together cost the Canadian taxpayer over $45 million in 1980, which represents a subsidy of $76 for the average passenger. A passenger travelling the full distance from Halifax to Montreal would pay a fare of $58, but the true cost of his trip is $210. The Canadian taxpayer pays the difference of $152.

Transcontinental trains are expensive to run because they provide a full range of sleeping and dining facilities designed for long-distance travel, even though the trains are primarily used for shorter trips where these facilities are not required.

Once the government had decided to retain only one of the two transcontinental services, the question became which one? Both trains carried approximately the same number of people in 1980; the Atlantic carried 286,000 and the Ocean carried

304,000. Both had similar costs and revenues. The revenue-cost ratio was 28 per cent. However, the Ocean served an all-Canadian route, whereas the Atlantic passed through U.S. territory and was therefore chosen for termination.

The actual travel time from Halifax to Montreal on the Ocean route is only a few minutes longer than by the old Atlantic route. It is recognized that residents of southwestern New Brunswick will have to backtrack to Moncton to catch the Ocean, but the connection is a good one, with the Ocean departing for Montreal 30 minutes after the arrival of the train from Fredericton and Saint John.

• (2210)

HOUSING—SALE OF HOUSES HELD BY CANADA MORTGAGE AND HOUSING CORPORATION (B) SALES TO INVESTORS AND SPECULATORS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on October 22 last I asked several questions of the minister responsible for the Canada Mortgage and Housing Corporation. The first question was with respect to the selling of repossessed townhouses and apartments to purchasers on the basis that the minister would cause the corporation to take back first mortgages. The second question was in connection with the manner of the sale.

It has become apparent to me and others that the minister is insisting on one price for townhouses or apartments to the ordinary purchaser, but is prepared to deal wholesale with the speculator or investor. Indeed, in one case he is prepared to offer apartment townhouses to tenants and others at $38,000 on average, and presumably prepared—indeed, we understand he has a back pocket sale lined up—to sell 150 units to one speculator at an average price of $31,000.

Dealing with the first issue, two years ago Canada Mortgage and Housing Corporation ran into serious problems and was required to borrow some $200 million from the government in order to re-establish its insurance fund. It is on that basis that the minister says, "I cannot take back mortgages and hold mortgages in Canada Mortgage and Housing Corporation." We in this House have to remind the minister that he is in charge of a corporation called the Canada Mortgage and Housing Corporation, and it is his business to hold mortgages. Certainly at a time when the mortgage rate on the open market is 19.5 per cent, 20 per cent and 21 per cent, it is his obligation to do what he can with his limited stock of housing to lead the way and give decent low-cost mortgages to people. I do not suggest he give these units away. This is not to be a giveaway program, but the rates should be 10 per cent, 12 per cent or 14 per cent at the most—something that people can afford to pay.

What is this minister doing with his repossessions? Is he saying to the proposed purchaser, "pay me all cash?" Having regard to the one project at 3120-3170 Kerwin Avenue in Mississauga, the minister is saying to the tenants who have leases with CMHC that they can buy their suites for $38,000 cash. He will take them down to the Toronto-Dominion Bank and arrange a 19.75 per cent first mortgage for them. He might, under certain circumstances, be prepared to pare down the mortgage by 3 per cent so the face of the mortgage will only look like 16.5 per cent. He will work a bonus deal with them. That is a bit of a scabby system, but that is the kind of thing this minister is prepared to do.

The most scabby thing this minister wants to do is to send around a girl to talk the tenants out of picking up their options. He says, in effect, "You people really cannot afford to pay $38,000 all cash for these apartments, can you?" It has to be all cash; he cannot take terms. He can then sell them to an investor for $31,000.

I want the minister or his parliamentary secretary to give a couple of undertakings to the House tonight: First that he will sell his condominium and townhouse apartment repossessions on the open market using real estate brokers on an open listing, and that he will take back mortgages for 85 per cent of value at 12 per cent or 13 per cent, and that is all, on a fair basis, and let people have a chance at these units. My second request of the minister or the parliamentary secretary is that he will under no circumstances do what he did at 570 Darcel Road, Malton. At that time, as shown in an answer to an Order Paper question on June 17 to the House, the minister declared the details of the sale of 570 condominium town houses to four numbered Quebec companies. The companies did not even have enough sense to give themselves a name. They were numbered companies. These companies can be incorporated by writing an application for incorporation to the Quebec government and it will assign a number. Four numbered companies bought 570 units at a price slightly in excess of $20,000 each.

• (2215)

I want the undertaking from this minister that the speculators are out and that never again, at any time, will he sell houses in the region of Peel en bloc to speculators, and that he will sell them on the open market and hold mortages on reasonable terms.

Some hon. Members: Hear, hear!

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to comment on matters concerning the sale of houses held by Canada Mortgage and Housing Corporation.

As the hon. member is aware, CMHC is responsible for the administration of the mortgage insurance fund known as MIF. The recent unprecedented number of claims against the fund has resulted in the MIF encountering substantial losses. To replenish the fund, CMHC has accelerated the sale of its real estate holdings. The fund itself, while it sells the real estate it acquires, lacks the liquidity to finance these sales. Accordingly, these sales are effected with private mortgage funds, at private institutional mortgage rates. In the sense that CMHC does not provide direct funding, units are sold to individuals on a cash basis. Purchasers may, in certain cases, benefit from NHA insurance by arranging financing through an approved lender.

I should like to point out, Mr. Speaker, that CMHC units are being offered for sale at market prices. In condominium projects where a large number of units have been acquired and cannot be sold individually on the open market at their target price, CMHC may obtain the consent of the condominium board and offer the units to investor-purchasers at prices which generally reflect home owner prices. The conditions of sale can, at times, reveal an apparent disparity between the price paid by an investor-purchaser and a tenant-purchaser, for example where an interest rate buy-down is involved.

The request for proposal technique is directed toward qualified bidders interested in purchasing CMHC's real estate for rental-investment purposes. This process allows potential purchasers more flexibility as to the terms and conditions than the traditional tendering process. This procedure has proved to be a flexible and effective marketing approach in the attainment of CMHC's objective of disposing of some of its real estate portfolio directly to the open market. It offers no special favours to the private sector and obtains the best price and associated conditions for each property, taking into account the current and near future market conditions at the time of sale. Where CMHC anticipates that the purchaser may resell, the agreement for sale may provide, among other conditions, that CMHC will share in the profit ultimately realized by the speculator-purchaser on such resale.

VIA RAIL—EFFECT OF CUTBACKS ON WESTERN ECONOMY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on October 26 I directed a question to the Minister of Employment and Immigration (Mr. Axworthy). I pointed out:

> As chairman of the Western Development Committee, and as one who is supposed to be stimulating economic growth in the west, he will know that the unilateral cutbacks in the VIA Rail routes will have a devastating effect on the western economy in general and cause the Canadian tourist industry losses in the millions. Also, there will be lay-offs in the rail and tourism industry.

The minister replied that a major Air Canada facility has been moved to Manitoba. He concluded by saying:

> —which will be of substantial help to the hon. member's constituency. We are trying to promote industries in western Canada which are modern, up to date, and high technology industries, and not to support obsolescence.

● (2220)

The Minister of Employment and Immigration is supposed to be stimulating employment, not reducing it, as the VIA Rail cuts will do. Between 8,000 and 16,000 jobs will be lost across Canada, and 500 will be lost in Winnipeg alone. How many hundreds will be lost in related sectors? The Winnipeg local of the Canadian Brotherhood of Railway Transport and General Workers Union has lost 167.

The minister stated that it is all right to cut VIA Rail back because we now have a new Air Canada overhaul hangar in Winnipeg. The minister is giving us nothing. The Liberal Party is giving us absolutely nothing. All the government is doing is returning a small portion of something that should never have been taken away in the first place.

I want to read from a letter I received from the Winnipeg-Farlane Camping and Recreation Association, which is a group of Winnipeggers who travel by VIA Rail from Winnipeg to the Sioux Lookout area. The association points out the following:

> We have recently received figures on the performance of Trains 144 and 145, which show that over the past three months a total of 4,368 passengers were carried. This amounts to a load factor of over 120 per cent either arriving or departing at or from Winnipeg.

This is not obsolescence, yet the government is going to cut back on VIA Rail. What are these people supposed to do, take JetStars down to their camps? They have no other way to get down there except by VIA Rail. It is all very well for Liberal cabinet ministers to fly around in JetStars and for two of them to go to the same city at the same time.

This camping association also said this:

> What more can VIA ask for in the line of performance? As it is, at least 20 per cent of the passengers on most runs have to stand in the baggage car and/or wait for next week's train.

The Liberals want to cut this back, and there is 120 per cent occupancy.

The western tourism industry and economy in general will lose millions of dollars and will be forced to lay off hundreds of workers because of the cutbacks. Jasper will be hard hit, since trains are the main method of getting into the town. Cuts will also hurt many Manitoba towns such as Rivers, Thompson, Thicket Portage, and numerous other small communities.

Recently there was a letter in the *Winnipeg Free Press* from a travel agent in Florida in which he pointed out:

> Our travel agency sends more Americans to travel by Canada's scenic railroad routes than for any other reason.

We will lose tourist dollars because of the VIA Rail cutbacks. Tourists do not spend money just on the railroad. They spend it in hotels, restaurants, buying souvenirs and so forth. We will lose all this business.

What about the 500,000 acrophobiacs, those who fear heights? They have no way to travel or they will have to find other methods of travel because they cannot travel by aircraft. It is all right for Liberal ministers to fly around in JetStars, but these people, 500,000 of them, will have their VIA Rail travel cut back. No consideration will be given to those people by the Liberal government.

The government is supposed to be cutting back in order to save money. It is all right to save by cutting back VIA Rail, but there will be not cutbacks on Liberal ministers' flying around in JetStars. They can fly anywhere they like. They can fly to Liberal fund raising dinners—two to the same location—and to hell with the Canadian people.

This is just another example of why western Canada feels alienated. Western Canadians are not permitted an input into the decision-making process. Indeed, in the case of the VIA Rail cutbacks no one was. The Conservative VIA Rail task force allowed Canadians to have some input. This is what the Minister of Employment and Immigration should have been fighting for. He should have been fighting for full-scale hear-

ings. I hope we will hear tonight from the parliamentary secretary that the minister will take some action and put some pressure on the Minister of Transport (Mr. Pepin) to withdraw his order in council cutting back VIA Rail service in western Canada.

Mr. Mayer: Good luck.

• (2225)

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the hon. member mentioned that some ministers have travelled on government planes to benefit dinners. I think the Minister of Transport (Mr. Pepin) denied that in the House today. Second, if the hon. member was here last week, he heard the reason why the Minister of Transport has made some cutbacks on VIA Rail. The Minister of Employment and Immigration (Mr. Axworthy) took some measures to be in charge—

[*Translation*]

Mr. Speaker, all cuts in VIA Rail services were planned in such a way as to encourage surplus employees to adapt to change. The company and the unions representing the workers concerned have agreed on a series of measures designed to minimize the negative impact of the changes on the workers. In addition, the minister has encouraged the company and the unions to find other jobs for the employees to be laid off, especially at this time when there is a great demand for specialized workers throughout Canada. In the case of all surplus employees at VIA Rail the minister favours the setting up of an employer-employee advisory committee under the sponsorship of the Manpower Advisory Service with the view to finding a solution to the workers' problems.

[*English*]

The hon. member asked what the Minister of Employment and Immigration as chairman of the Western Development Corporation has done to help western Canada. I remind him of the new economic initiative during the last year in western Canada through the efforts of the Minister of Employment and Immigration. First, there was Canertech, the new federal Crown corporation for alternate energy. Second, there was $100 million for the core area development initiative by the federal government. There were 3,500 new jobs created to revitalize the centre of the city. Third, there was the micro-electronic research centre at the University of Manitoba. Fourth, there was a new computer facility for Air Canada in the city of Winnipeg at a cost of $60 million. Finally, there was a $150 million contract for aerospace firms, especially in the city of Winnipeg, in the year 1980. These are examples of what the Minister of Employment and Immigration as chairman of the Western Development Corporation has done for western Canada during the last year.

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

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 3, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

ASSISTANCE SOUGHT FOR CATTLE PRODUCERS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, Canadian beef producers are in a real financial bind, mostly due to high interest rates. All the federal government has done to date is spend $40,000 on a Senate report, plus a few more thousand dollars on another report which the Minister of Agriculture (Mr. Whelan) has ordered. Both are directed toward forcing the cattle producers into marketing boards. I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the federal government make use of the present stabilization program and assist the cattle producers to at least 90 per cent of the previous five-year average which the program guarantees, but more preferably to 100 per cent.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR REMOVAL OF FEDERAL SALES TAX FROM FARM FUEL—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, in view of the pressures on farmers relating to escalating production costs, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House call on the government to remove all federal sales tax from farm fuel used in the production of food.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE MINISTRY

USE OF GOVERNMENT AIRCRAFT BY CABINET MINISTERS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I move, seconded by the hon. member for Central Nova (Mr. MacKay), that this House of Commons endeavour to make known:

Cabinet members tell us they really care
As they flit about our nation travelling by air.
Formation flying becomes part of the test
As each high-flying minister wings his way west.
For—

Madam Speaker: Order, please.

Mr. Towers:

—13 Cabinet members all Alberta-bound
And there aren't enough JetStars to go 'round
To accommodate all the "Captains of the Clouds."

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I must admit I enjoy the hon. member's verses but 43s are for serious motions.

Some hon. Members: It is serious.

* * *

INDIAN AFFAIRS

EFFORTS BY INDIANS TO ACHIEVE ECONOMIC INDEPENDENCE—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I hope this motion may obtain the full consent of the House, as I think we all agree with its purpose. Whereas the Sechelt Indian Band is one of the most progressive bands in British Columbia, if not of all Canada, and whereas the narrow and restrictive controls imposed by the Department of Indian Affairs and Northern Development have curtailed rational social and economic development of the Sechelt Indian Band, and whereas the government encouraged the band, who invested years of planning to develop guidelines for a separate act to cover the development of the Sechelt band, only to be turned down by the bureaucrats, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Indian Affairs and Northern Development commit himself to assisting Indian people to free themselves from dependence on government and to support their efforts to achieve economic independence and social fulfilment.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SCIENCE AND TECHNOLOGY

USE OF CANADIAN-DESIGNED ARM BY UNITED STATES SPACE SHUTTLE—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Tomorrow morning the space shuttle *Columbia* will begin its second voyage out of the earth's atmosphere. It will be carrying in its cargo hold a special arm developed in Canada by Spar Aerospace and the National Research Council.

In view of the fact that the Minister of State for Science and Technology (Mr. Roberts) will be in the United States on Thursday to mark Canada's contribution to the American space program, I move, seconded by the member for Willowdale (Mr. Peterson):

That the minister convey to representatives of the United States government as well as to officials of NASA the best wishes of this House for a safe and productive journey.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

NECESSITY FOR IMPROVED FORECASTING OF CAREER OPPORTUNITIES—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, whereas this week has been declared Canada Career Week, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the minister responsible for employment improve forecasting of future job needs so that career counsellors in our high schools can help our students prepare for careers that will not be obsolete when they finish their training and education.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

IMPACT OF POSTAGE RATE INCREASES ON CHARITABLE ORGANIZATIONS—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the announced postage rate increase will create a severe burden for all Canadians. Charitable organizations such as the Canadian Lung Association, whose sole source of funds is derived through the Christmas seal campaign utilizing the mail for its drive, will be seriously jeopardized. I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House reject the postage rate increase until such time as an improvement in service becomes apparent and supports a measure relieving recognized charitable organizations using the mail to raise revenue, from this horrendous increase.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ENVIRONMENT

POLLUTION OF LAKE ONTARIO WATERS USED FOR HUMAN CONSUMPTION—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. Since Pollution Probe has recommended that the Harris Water Treatment Plant in Toronto must be upgraded to where it is capable of removing the estimated 30 chemical substances that have been identified in the waters of Lake Ontario, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House direct Environment Canada to provide financial and technical assistance to Metropolitan Toronto to ensure that the Harris Water Treatment Plant is upgraded so that the plant can remove all chemical substances from Lake Ontario water which is used for human consumption, and that persons responsible for this contamination be prosecuted to the full extent of the law.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—COMPENSATION SOUGHT FOR HOME OWNERS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, 2,000 home owners in the region of Niagara answered the call of the government to conserve energy by insulating their homes, but

unfortunately they did it with CMHC-approved urea formaldehyde foam insulation. I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That since those home owners are now suffering emotional and economic hardship and suffering health impairment as well, the government should proceed to evaluate damage caused by that foam insulation in accordance with a commitment made by the hon. member for Hochelaga-Maisonneuve, and undertake to compensate the victims accordingly.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

WESTERN POWER GRID PROJECT—MOTION UNDER S.O. 43

Mr. Robert Bockstael (St. Boniface): Madam Speaker, I rise under the provisions of Standing Order 43. The federal government has contributed considerably to the development of Manitoba's hydroelectric power industry by providing large long-term loans to the province at very low interest rates, and on excellent terms of repayment. Recently it was announced that the provincial premiers were unable to reach an agreement on their much discussed western power grid. In light of the accomplishments of the federal government in developing Canada's energy resources it is now time the three western premiers showed some responsibility and initiative in deriving revenue from these hydroelectric power resources. I move, seconded by the hon. member for Don Valley East (Mr. Smith):

That the House direct hon. members opposite in both the Conservative and New Democratic parties to urge their provincial counterparts to reach an agreement as soon as possible on this important energy project so that western Canadians are no longer misled or subjected to any further delays.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

IRAN—GOVERNMENT ATTACKS ON BAHA'I COMMUNITY—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the United Nations Commission on Human Rights has expressed profound concern for the safety of members of the Baha'i community in Iran. I believe all members of this House have received written indications of systematic persecution, including torture, beatings, murders, kidnappings, and other

forms of harassment. I therefore move, seconded by the hon. member for Edmonton South (Mr. Roche):

That this House expresses its profound concern about the perilous situation facing that religious community, urges the Secretary General to continue his efforts to persuade the Government of Iran to prevent further attacks on the Baha'i community and to grant them religious freedom; and draws the attention of the Canadian people to the perilous situation faced by the Baha'i community of Iran.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FORESTRY

MOUNTAIN PINE BEETLE EPIDEMIC—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That representatives of the federal government presently attending a two-day workshop on the economic, social and ecological problems related to the mountain pine beetle epidemic in western Canada and the western United States be given instructions to commit, on behalf of the federal government, all the resources necessary to combat this natural phenomenon threatening our trees, which are our most important natural resource.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

INTEREST PAID ON GOVERNMENT OF CANADA ANNUITIES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in 1976 the Government of Canada promised a periodic review of Government of Canada annuity interest rates. The government is prepared to pay Canada Savings Bond purchasers 19.5 per cent on their bonds, is prepared to pay nearly 18 per cent on Treasury bills, and is prepared to pay long-term bond holders 16 per cent or more. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the Government of Canada forthwith increase the interest paid on Government of Canada annuities to holders of those annuitities to at least 16 per cent, that the Government of Canada cease taking unfair advantage of persons who, in good faith, purchased annuities from the government, and that the government fulfil the promises it made.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

HUMAN RIGHTS

REQUEST FOR AMENDMENT OF FEDERAL BILL CONCERNING YOUNG OFFENDERS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the Supreme Court of Canada's decision with respect to Quebec Bill 24, the Youth Protection Act, takes away the basic rights of young Quebecers, and whereas this decision undermines the fundamental principles of this progressive piece of Quebec legislation, I move, seconded by the hon. member for Saskatoon-East (Mr. Ogle):

That the Solicitor General of Canada immediately announce his intention of amending the provisions of the federal bill respecting young offenders so as to restore and observe the principles of Bill 24, not only for the sake of young Quebecers but for all young Canadians.

Madam Speaker: Order, please. This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

THREAT OF RETALIATORY ACTION BY UNITED STATES IN RESPONSE TO CANADIAN LEGISLATIVE PROPOSALS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Secretary of State for External Affairs.

Some hon. Members: Hear, hear!

Mr. Crosbie: I hope the minister will be as cheerful. On October 28 Marc Leland, the U.S. Assistant Treasury Secretary, said before a Senate subcommittee that the United States administration intends to pressure Ottawa before GATT, the OECD, the IMF, the World Bank and, if necessary, to invoke special presidential powers under the U.S. Trade Act in response to Canadian measures that adversely affect U.S. interests and undermine the international trade and investment climate. The minister will also know that the United States need to do nothing in response to various requests Canada has made to them about acid rain, the east coast boundary and fisheries dispute, the northern pipeline and the like.

Will the minister now make it clear, particularly for his junior colleague from Windsor, whether the government is going forward with the changes proposed by the Minister of Industry, Trade and Commerce which would expand the powers of FIRA? Has the government decided to initiate any changes in the new economic policy that might improve the atmosphere with the United States and encourage them to meet our requests in these other areas?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, since the hon. member has today asked his first question in the area of his new responsibilities, perhaps inspired by press reports, I think I should congratulate him on the new duties he has assumed. He may need my congratulations.

Mr. Clark: No wonder Pierre Trudeau travels.

Mr. MacGuigan: With regard to the preamble to the hon. member's question, Canada has no reason to be concerned about any kind of challenge which any government, including that of the United States, may bring to our actions in international bodies. We have not taken any actions which are inconsistent with our international responsibilities. We are prepared to have them challenged and will successfully defend them at any time. The hon. member will have to wait for the budget to get some of the answers to his questions. However, I can tell him that the matters about which he inquires are presently under review.

* * *

TRADE

QUERY RESPECTING GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary is directed to the Minister of Industry, Trade and Commerce. The Minister of Finance made a speech in Calgary several days ago. He said his budget will not aim to Canadianize the industrial and trading sectors the way the oil industry is being Canadianized by the NEP. He stated that "the private sector has the principal role for economic development". Will the minister confirm to this House that the new industrial and trading policy he has been working on will not discriminate against the foreign or even the domestic Canadian investor as the NEP did? Will he confirm there will be no further federal intervention in the economy by the expansion of Crown corporation activities, PetroCan, or whatever? In other words, will he confirm that he has come to his senses, and drop the piffle he was speaking a few months ago?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the National Energy Program document that was tabled at the time of the last budget said that the government did not envisage expanding the minimum

ownership approach of the National Energy Program to other sectors. Instead of trying to develop questions in this area, questions which I think we would describe as piffle, the hon. member should have simply checked back and read what was already in the National Energy Program document.

QUERY RESPECTING PROMOTION OF FREE ENTERPRISE

Hon. John C. Crosbie (St. John's West): Madam Speaker, the government has got our relationship with the United States into "dire straits" already, as it has hundreds of thousands of Canadians. Last week the Prime Minister spoke in Toronto at a $175 a plate dinner where he said that Liberals "value private enterprise as a truly magnificent creator of wealth and opportunity." The Prime Minister is a "closet" free enterpriser. Or he is suffering from economic transvestism? Is the minister also an economic transvestite? Is he going to drop the policies he has been promoting and now promote free enterprise, private enterprise as a creator of wealth and opportunity? Will he assure the House that there will be no more takeovers by Crown corporations and that he is dropping his anti-the-private-sector policies that he had ready until several months ago?

• (1420)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the policies that we are developing and promoting as a government are those which received the support of the Canadian people in the last election that gave us a majority mandate.

Some hon. Members: Hear, hear!

Mr. Gray: We said from the outset, Madam Speaker, that we believe the Canadian people want the government to play an active role in support of the capacity for innovation and entrepreneurship in the private sector; that is what we have been doing and that is what we intend to continue to do.

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PIPELINES

ALASKA HIGHWAY GAS PIPELINE—PASSAGE OF LEGISLATION IN UNITED STATES

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and it deals with U.S.-Canada relations. One of the possible casualties of the poor U.S.-Canada relations caused by the National Energy Program is the Alaska highway gas pipeline. As the minister knows, U.S. legislation necessary for this project to go ahead is receiving rough treatment from U.S. congressmen and senators who are incensed or mad with Canada for some of the more ham-handed aspects of the NEP.

Can the minister tell the House what action he is undertaking, or he is planning to undertake, to ensure that this legislation passes so that this project, worth some $30 billion and several thousand jobs to the Canadian economy will, in fact, go ahead?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all I would like to congratulate the hon. member on his appointment as energy critic. He is the third energy critic for the Conservative opposition in the span of a year. I wish him a long life in his position.

With regard to the question, I shall remind my hon. friend that the Alaska highway gas pipeline is a project that is, indeed, in the interest of the United States. We have passed the necessary legislation and have taken the necessary steps to ensure the realization of this project, following strong representations from the United States, which feel that this project is in their interest. Contrary to my friend I do not believe that the United States Congress or the United States as a whole would decide to shoot itself in the foot, to use the expression of our ambassador, by not proceeding with the bills the President has asked Congress to consider and pass.

QUERY RESPECTING CONTINGENCY PLANS

Mr. Harvie Andre (Calgary Centre): I want to remind the minister of comments he made when he was energy critic for the opposition in December of 1979, when he said that iron-clad guarantees for all aspects of the Alaska highway gas pipeline were absolutely essential before the pre-build would be put in place. After asking for these iron-clad guarantees in July of 1980 the minister settled for some tin-clad guarantees from then President Carter. The minister now appears to be operating on the basis of a hope and with his fingers crossed.

In view of the daily statements in the U.S. press about reactions by congressmen and senators, as well as members of the administration, that they are not pressing this legislation and without such pressure the legislation will not pass, can the minister tell us why he can take such a complacent view and what contingency plans he has in place to look after the situation when this pipeline is, in fact, killed, as is very likely at the present time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, for the last year and a half my hon. friends opposite have been coming out with all kinds of sombre predictions of doom and gloom. Their predictions are proven wrong every time. I shall remind my hon. friend that the United States Congress passed the resolution in 1980 stating that the Alaska highway gas pipeline was an essential part of securing the nation's energy future and that the system enjoyed the highest level of congressional support for its expeditious construction and completion by the end of 1985.

• (1425)

We have a letter of the then President of the United States, dated July 17, 1980, also confirming that view which had been passed unanimously by Congress. I believe the American

Congress, the American President and the American administration stand by their statements. I think the bill introduced in Congress is clear evidence of the interest of the United States in seeing that project go.

* * *

LABOUR CONDITIONS

SEPTEMBER UNEMPLOYMENT STATISTICS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Employment and immigration figures for September show that 20,397 additional people were laid off across Canada and that in Ontario 16,284 people were laid off in the month of September. This means that 1,000 people every working day in Canada are now made unemployed. It means that over 800 people in the province of Ontario every working day are being laid off. How can the minister say that this is not the time for panic, that we have to wait another month? What kinds of programs does he now have which will give those people an opportunity to find gainful employment, either in the short or in the long term, to meet their commitments to their families?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the reason we counsel that it is not time for panic is that any attempt to create that kind of hysteria does not lead to effective long-term solutions to the problem. We on this side of the House prefer to deal with matters in a careful and effective way rather than the rhetorical and hysterical way the hon. member apparently endorses. What we are really trying to do, as we did this summer, is establish direct job-creation programs so that 1981 and 1982 will provide additional work for well over 80,000 Canadians in a variety of ways to ease those areas where high unemployment is expected. The approach taken by the government is a careful and effective one, rather than the rhetorical and panic-ridden approach which his party oftentimes adopts.

MASSEY-FERGUSON LAY-OFFS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, by way of supplementary question let me ask the minister, in the careful and considerate approach which he is taking, whether he can offer some guidance for the 600 people who are about to be laid off next Friday at Massey-Ferguson in Brantford. Where should they go to find employment? How will they be able to find employment in an area where, within a 20 or 25-mile radius there is massive unemployment in almost every community? What kind of reasonable thinking will come from the minister to give those people some help?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the federal Department of Employment and Immigration, along with other departments, has a number of programs in place designed to deal directly with the problem of lay-offs. We establish, in co-operation with the unions and local business corporations which may be affecting those lay-offs, manpower consultative services that deal with each individual employee. If they want to provide for retraining or for new job applications, they are given the available information, the available counselling, and the available job opportunities in the same area. I suggest the hon. member speak to his leader. In the area of Oshawa where lay-offs occurred, we were able to place close to 80 or 90 per cent of those persons laid off. We cannot control individual decisions by individual businesses affected by the cycles of the business economy.

Mr. Andre: It is not cycles, it is government policy.

Mr. Axworthy: But we have a number of programs in place to ensure that the workers are helped in the circumstances.

PROGRAMS TO ASSIST UNEMPLOYED

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, let me be quite specific with the minister. Indefinite lay-offs are currently taking place in Welland, London, Tillsonburg, Scarborough, Brantford, Downsview, Hamilton, Stoney Creek, Midland, Kitchener, and again in Brantford with Massey-Ferguson. Where are the specific programs for those 2,000 people who will be laid off as of next Friday in those communities? Where are the specific programs which will enable them to find either short-term or long-term employment in order to meet their commitments this winter, given that the minister has known since the summer, by his own admission, that massive unemployment figures would be showing up by the end of this fall?

• (1430)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would remind the hon. member that it was the action taken by this government in supplying a guarantee to Massey-Ferguson that maintained the employment for the entire work force at Massey-Ferguson and has kept them in the work force. The decision taken on November 6 was for a temporary lay-off and was in response to business conditions that the company must face. Without government action there would not be any work for people at Massey-Ferguson at all.

* * *

POST OFFICE

APPEARANCE OF MONARCH'S PORTRAIT ON POSTAGE STAMPS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who is responsible for the Canada Post Corporation. I was pleased that last week the Prime Minister chose this place to renew his allegiance to the Queen and to reassure us that the Queen's portrait will in fact appear on the 1982 stamps. My concern is not with the 1982 stamps, however, but with the 1983 program. Since the minister is still

directly responsible for the stamp program—that does not go to the Canada Post Corporation—will he confirm or deny that instructions have been given to the planning department that the Queen's portrait is definitely to be left off all 1983 stamps?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think this is speculation in the mind of the hon. member because no such instruction has ever been given. The program is decided in the very last month of the year for the following year. So obviously no plan whatsoever has been made for 1983. I am very surprised that the hon. member is speaking of the Queen's portrait not appearing on stamps in 1983. I think somebody, somewhere, is really trying to create a problem that does not exist. A lot of members of the opposition have accused the Prime Minister of being anti-monarchist. I think he showed his loyalty to the Queen clearly last week. I hope the hon. member will do the same.

Mr. Bradley: Madam Speaker, that speculation comes directly from the minister's design department for the stamp program. Since the minister did not in fact confirm or deny it, I would assume that that is a confirmation that the instruction did go out.

REQUEST THAT SENIOR CITIZENS ENJOY REDUCED POSTAL RATES

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my supplementary question is also for the Minister of Consumer and Corporate Affairs. The minister will know from his mail that senior citizens and handicapped persons in Canada rely almost totally on the mail to communicate with their friends and loved ones. He will also know that an increase in postal rates of the magnitude proposed by the government will be tremendously detrimental to people on fixed incomes. Will the minister consider some form of assistance for senior citizens and handicapped persons, possibly along the lines of a special stamp, at say, 50 per cent of the first-class rate?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think the hon. member misunderstood my earlier reply. I denied outright that my department's postage design division had been given orders not to publish stamps with the portrait of the Queen in 1983. I denied this allegation and if the opposition member wants to be reassured and if he is interested, I can assure him that I have given no order for either 1983, 1984, 1985, 1986 or 1987.

Concerning the possibility of assistance to the handicapped, I am sure that all members on both sides of this House sympathize with the problems these people may have. However, I do not feel that the new Canada Post Corporation should get involved in this kind of assistance program. Within the Canadian government and also at other levels of government, there are programs aimed at providing assistance to those who require it, and I do not think the Canada Post Corporation should be used for this purpose.

[*English*]

FINANCE

TAXATION OF VOLUNTARY ORGANIZATIONS

Mr. Walter McLean (Waterloo): Madam Speaker, my question is for the Secretary of State. The minister will recall that earlier this year the former Secretary of State indicated that the National Voluntary Organizations' "give and take" tax proposals would be presented to cabinet. Would the minister tell the House whether he has persuaded the government to adopt these proposals?

Hon. Gerald Regan (Secretary of State): Madam Speaker, the question is accurate in relation to the position that was taken by the former Secretary of State. I have assumed his responsibilities and will see to it that cabinet has occasion to examine a particular proposition carefully. At this time my officials are preparing a document to be placed before cabinet for consideration in relation to the "give and take" proposals. I can assure the hon. member that the matter will be processed without unreasonable delay.

REQUEST FOR CUSHIONING OF VOLUNTARY SECTOR FROM INCREASE IN POSTAL RATES

Mr. Walter McLean (Waterloo): Madam Speaker, as I listened to the Secretary of State I did not hear him indicate to the House that, when presenting these proposals, he would encourage their adoption. The voluntary sector, which was encouraged at Consultation 81 earlier in the year to believe that the government was going to act, now finds itself faced with the government acting in only one way, that is, with increased postal rates to effect them adversely.

May I ask the minister whether he will send a signal to the over three million Canadians who support the voluntary agencies with time and money, and will the minister intervene on their behalf to see that the voluntary sector is cushioned from the negative effects of this massive increase in postal rates?

Hon. Gerald Regan (Secretary of State): Madam Speaker, since assuming the portfolio of Secretary of State I have met with representatives of the National Voluntary Organizations. I want to reaffirm the recognition by this government of the vital importance of the contributions made to our society by voluntary organizations in Canada. They make a tremendous contribution. In many ways they are the backbone of our country, and certainly the government is going to continue to be supportive of the propositions they bring forth.

* * *

SHIPBUILDING

QUERY RESPECTING GOVERNMENT POLICY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister aware that over the next ten years

roughly $33 billion will be spent on marine platforms, with about $1.3 billion being spent next year and $1.8 billion the following year? In this House the minister has consistently promised to put forward a coherent shipbuilding policy for Canadians. On July 8, 1980, he promised that we would have the policy by early fall; he promised it again on July 15; his parliamentary secretary has promised it, and the Prime Minister has promised it. Now it is the late fall of 1981. Where is the shipbuilding policy so that Canadians can capture the benefits from the shipbuilding that will go on in this country?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I said that before the government would announce a new policy for the shipbuilding and ship repair industry we would carry out a wide-ranging consultation with the industry, its workers, and potential users of ships. This consultative process is just being completed. I hope to receive the report from the chairman of our interdepartmental working group very soon and I will use that as a basis for discussion in cabinet with a view to bringing forward the policy that my hon. friend has requested.

Mr. Skelly: Madam Speaker we have heard two ministers stand up today with the old pie in the sky theory. There is going to be pie in the sky when they die!

● (1440)

ORDERS PLACED IN FOREIGN COUNTRIES

Mr. Ray Skelly (Comox-Powell River): In the last nine months of this year, $700 million worth of Canadian ships has been contracted for building in foreign countries such as Japan, the United States, and Europe. When is the minister going to get his butt in gear and ensure that—

Some hon. Members: Oh, oh!

Mr. Skelly: —these jobs will be created in Canada? We cannot afford this kind of problem any more. Therefore, when will he stop creating jobs in Japan, in Europe and the United States, and start creating employment for Canadians?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend may not know this, but yesterday, in Saint John, New Brunswick, I announced federal government support of some $12 million to enable the expansion of the Saint John Shipbuilding & Dry Dock Company so that that company could go, at one and the same time, into the shipbuilding, ship repair and offshore equipment field, something which will bring some 400 new jobs to the workers of that area. A few weeks earlier, I was in Vancouver where I took part in the ceremony at the Burrard yard with respect to the opening of a new floating drydock which will bring hundreds of new jobs in the ship repair field to workers in that area.

Also, the federal government assistance to the Panamax project in Halifax which will also bring hundreds of new jobs to that area. Finally, I might add that on August 27 I announced the federal government's new program to assure Canadian workers a full and fair opportunity with respect to taking part in the megaprojects, including offshore equipment. This program is in operation, so we are not waiting for the shipbuilding policy. We are operating now to carry on the type of development my hon. friend has been talking about.

Mr. Baker (Nepean-Carleton): You just torpedoed yourself.

* * *

[*Translation*]

NATIONAL CAPITAL COMMISSION

INQUIRY WHETHER POLICY RELATED TO GREENBELT IN OTTAWA-CARLETON HAS BEEN MODIFIED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Minister of Public Works who is responsible for the National Capital Commission. Last week, Ottawa newspapers headlined that the NCC was prepared to give up NCC land located in the Greenbelt, the untouchable zone surrounding the national capital, for the purpose of promoting the building of a microelectronics centre in the Ottawa-Carleton region. Could the minister tell us whether this transaction is to be interpreted as a change in the NCC's policy with respect to the Greenbelt in Ottawa-Carleton, and if so, when and by whom the details of this transaction will be officially announced?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. member for his interest in this subject, and congratulate him on his continuing interest in matters affecting the National Capital Commission and the area, generally speaking. I confirm that I have discussed the subject which he has raised with the chairman of the National Capital Commission. He has indicated to me that the commission has not changed its policy vis-à-vis the Greenbelt, that there is opportunity to work with the province, I understand, through its BILD program, and other municipalities and the private sector. Such a program, under proper conditions, would fall within the existing policy and plans of the commission with respect to the Greenbelt.

* * *

EDUCATION

MINISTER'S POSITION ON GOVERNMENT POLICY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, my question is directed to the Secretary of State, who knows that there are some 738,000 young Canadians in our colleges and universities and that they represent the real, true future for the country. He also knows that the cost of post-secondary education is some $5 billion, of which the taxpayers allocate $2 billion through this Parliament, and some $3

billion through their legislatures. He also knows that the seven provincial governments east of Saskatchewan have substantial deficits. He also knows that it is Liberal policy to reduce its share for post-secondary education, and that that will immediately cause tuition increases, a cut in programs, or, indeed, increased provincial deficits. Why does the Secretary of State, as a former premier of a have-not province, agree with such a policy?

Hon. Gerald Regan (Secretary of State): Madam Speaker, I thank the hon. member for Lethbridge-Foothills for learning his lines so well. I only regret that the quality of the delivery was much better than the accuracy of the content, and that the hon. member—

Some hon. Members: Hear, hear!

Mr. Regan: —had so many errors that, if I were marking his paper, there would be no way I would be able to give him a pass at all.

First of all, in relation to the proportion of the cost of post-secondary education that is paid by the Government of Canada as compared to the provinces, the hon. member is totally inaccurate, as he is in a number of the other items he mentioned. I want to assure him, in case he was not here when I explained before, that the Government of Canada places a very high priority on the continued support of post-secondary education. I point out to him that in this regard the proof of the pudding is in the eating, and that for the past number of years the federal government has been increasing the proportion of the cost of post-secondary education that we pay; whereas the provinces, as a whole, and most of them individually, have been decreasing their share. I suggest to the hon. member that he go back home to Alberta and urge the province to use its great Heritage Fund to provide a better level of support to post-secondary education.

Some hon. Members: Hear, hear!

REQUEST THAT MINISTER RESIGN IF FUNDING REDUCED

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, every one of these statistics came from the Task Force on Fiscal Arrangements. The minister knows that the three-year delay in the GNP results in the federal government paying less. Concerning all of the figures, I challenge him to show me that they are in error. In a letter to students, dated October 29, 1981, the minister said:

> Some may say that the federal Government plans to drastically reduce its support for post-secondary education. This is simply not true.

My supplementary question is this: Is the Secretary of State prepared to resign his seat if there is a cut in the federal share of post-secondary education?

Some hon. Members: Yes or no?

Hon. Gerald Regan (Secretary of State): I want to assure the hon. member through Your Honour that I have no intention of resigning my seat, because I think that by being here I am able to express a view of the way Canada should operate which is useful in relation to providing assistance to our students in higher education and in relation to the development of a better, not worse, system of post-secondary education. I suggest to the hon. member that if he is going to be taken in by phony statistics, if he is going to listen to the Tory propaganda—

Some hon. Members: Oh, oh!

Mr. Regan: —that was spread across this country, he is not serving the interests of the students. He should recognize that, if he has some way of making criticism based on actions that government has not taken, then that is not serving a particularly good interest. He would be better off, when he has something to talk about when government has taken some action, to ask then for an explanation rather than question us on some mythical Conservative propaganda.

STATEMENT MADE BY GOVERNMENT LEADER IN SENATE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary question is directed to the Secretary of State, who tends to dismiss as totally inaccurate reports that the government intends to reduce its commitment to our community colleges and our universities. I would like to refer him to some accurate figures. At least I would think that they are accurate, because Senator Perrault, speaking on behalf of the government in the other place, stated on October 27 that the government remains committed to a continuous $1.5 billion reduction—

Mr. Nielsen: Quote, unquote.

Miss MacDonald: —in post-secondary education and health care.

I would like to ask the Secretary of State whether he agrees with that statement made by the government leader in the Senate, or whether this is the case of the cabinet speaking out of one side of its mouth on one occasion and speaking out of the other side when it so suits it.

Hon. Gerald Regan (Secretary of State): Madam Speaker, if the hon. lady will—

Some hon. Members: "Member"!

Mr. Regan: —the hon. lady member will have a little patience—

Some hon. Members: Oh, oh!

Mr. Regan: —then she will have the opportunity, on the 12th, to see a budget presented. After that budget is presented by the Minister of Finance, then we will be able to deal in the situation of hard facts which are before the House, instead of speculation that may be made by various people in the Conservative ranks. I also want to take advantage of the opportunity to say to the hon. lady member that, since she is an Ontario member, she might well look at the decrease which

has occurred in the past number of years in the amount of support for post-secondary education by the province of Ontario and try to get it to do its bit.

● (1450)

MINISTER'S ACTIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I would refer the Secretary of State to page 2902 of the Senate *Hansard* of October 27 of this year where Senator Perrault is reported to have stated, when referring to the $1.5 billion continuous reduction:

Honourable senators, this is the response provided by the Minister of Finance.

I would like to ask whether or not the Secretary of State has spoken to the Minister of Finance who has, at various times, made it very clear that there will be a $1.5 billion lowering of commitments to the provinces, to the community colleges and universities and to health care in the amount of money transferred by the federal government? Has he talked to the Minister of Finance about that, and has he and will he look at the Senate record, and will he then, on the basis of his previous statement, agree to put in his resignation from the point of view that he has said there would be no reduction coming up?

Hon. Gerald Regan (Secretary of State): No, Madam Speaker. The hon. member, of course, is one of the most practitioned practitioners of twisting around facts and figures. I do not know how many hours, when she should be making representations to the Ontario government to do its bit towards education, she spends in searching through *Hansard* to try to find a misprint somewhere so that she can misquote somebody.

Some hon. Members: Oh, oh!

Mr. Regan: But I do tell her this, that what I said elsewhere, what I said here and will say again, is that I am highly confident that there will not be any $1.5 billion reduction in the support of post-secondary education.

Some hon. Members: How much?

Mr. Regan: I will also tell her this—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I cannot hear the answer, so I expect a lot of members cannot hear it.

Mr. Regan: I do want to say, Madam Speaker, that I am distressed to see such an element of glee on her part in the possibility of a reduction in educational support when she represents a city like Kingston.

Some hon. Members: Oh, oh!

STATEMENT MADE BY GOVERNMENT LEADER IN SENATE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Acting Prime Minister.

Some hon. Members: Oh, oh!

Mr. Clark: I will wait until the howling stops on the other side, Madam Speaker.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Clark: Madam Speaker, was the government House Leader in the Senate speaking the policy of the government when he made the statement just quoted by my colleague, the hon. member for Kingston and the Islands?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously in view of what has been said I will have to look into that. The Prime Minister would certainly want to give the answer himself.

STATEMENTS MADE BY MINISTER OF FINANCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, could the Acting Prime Minister tell us whether the Minister of Finance was speaking the policy of the government when he said on several occasions that there would be a reduction of $1.5 billion?

Mr. Ouellet: Ask him the question directly.

Mr. Clark: The minister, Madam Speaker, who spends most of his time advising judges, or advising small-business men to get along without the Post Office, is offering some free advice to me.

Some hon. Members: Oh, oh!

Mr. Clark: He is best known as the minister who digs holes in Quebec and he is digging them for himself.

Some hon. Members: Oh, oh!

Mr. Clark: If I could have a little quiet in the House with some of the shouting stopped on the other side—

Some hon. Members: Oh, oh!

An hon. Member: You are not the Speaker; sit down.

Madam Speaker: Order, please.

Mr. Clark: Was the Minister of Finance speaking the policy of the government when he said, as he has on several occasions, that there will be a reduction in the neighbourhood of $1.5 billion in payments under the established programs financing to the provinces and, if not, what will the reduction be?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the Minister of Consumer and Corporate Affairs made a lot of sense a moment ago when he observed that the Minister of Finance has been here every day since the opening of the House of Commons.

Some hon. Members: Oh, oh!

Mr. Pepin: Well, almost; give me one or two. He has certainly been here more often than anybody on the other side. He will be here tomorrow, most probably. The question can wait until then. I presume it will be resolved without a shadow of a doubt by the next budget, so nobody is being hampered, antagonized, provoked or damaged in the process.

[*Translation*]

INQUIRY WHETHER GOVERNMENT INTENDS TO REDUCE PAYMENTS TO PROVINCES

Right Hon. Joe Clark (Leader of the Opposition): I thought that perhaps the Acting Prime Minister had played a role here, but it is obvious he did not. May I direct the question to the Minister of State for Finance? Can he tell us whether it is the intention of the Canadian government to reduce transfer payments to the provinces for social services and for post-secondary education by $1.5 billion, and if it is not $1.5 billion as the Minister of Finance has said, can the minister provide the House with the total figure for reductions planned by the government?

Mr. La Salle: It's easy, Mr. Pepin!

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I would like to remind the Leader of the Opposition that copies of the October, 1980, budget are still available. In that budget it was clearly stated that with a view to reducing the government deficit and expenditures, certain reductions were planned over two years in an area that would cover more than 20 per cent of government expenditures. If the Leader of the Opposition wants to take the trouble, he can read the paragraphs relating to that provision.

* * *

[*English*]

FITNESS AND AMATEUR SPORT

FUNDING OF ATHLETES

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Secretary of State responsible for fitness and amateur sport. It seems to be his day, but perhaps after the Question Period he will decide it was not his day. In any event, my question concerns the statement by Abby Hoffman, the new director of Sport Canada, who has been quoted as saying:

—too much time and effort is being spent on bureaucracy without ensuring those bureaucratic elements will have a positive effect on sport.

Miss Hoffman has also suggested that Canada will never break into the top eight internationally unless we increase our direct support for athletic funding. Presently direct sport funding, as the minister will know, amounts to about $3 million out of the $30-million budget, with the rest going to the bureaucracy and other forms of grants. Does the minister agree that we have achieved or have gone about as far as we can go athletically at international levels unless we increase this direct support to our athletes, and if he does, what does he plan to do about it?

Hon. Gerald Regan (Secretary of State): Madam Speaker, the hon. member, who has been a very great supporter of amateur sport in this country, quotes from a very, very distinguished acquisition to the Government of Canada. I think Abby Hoffman will be a great director for Sport Canada, and her presence there in such a senior position will, indeed, be very helpful to the cause of amateur sport in this country.

In relation to the quantum of money available for the support of amateur sport, I think we are making very great progress; indeed, we did in the Summer Games in Montreal in 1976 when, because of the game plan and the efforts of provincial and federal governments in the three years before, we moved from twenty-fifth position to tenth position in the final standings. I believe having the Winter Olympics in Calgary in 1988 provides us with the reason to make that sort of effort in relation to Winter Games in the coming years.

Certainly having additional money for broader training of elite athletes, and for providing more international competition, is a very worth-while objective. If these dismantlers of Canada across there on the left had not given away Loto Canada to the provinces we would have that kind of money right now. I look forward to hon. members supporting the establishment of a sports pool of Canada in the forthcoming legislation.

● (1500)

FUNDING FOR 1982 GAMES IN AUSTRALIA

Mr. Mark Rose (Mission-Port Moody): The minister, as one of Canada's most prominent athletic supporters—

Some hon. Members: Oh, oh!

Mr. Rose: —knows full well and understands clearly that even if his sports pool does go ahead, there will be no pay-off whatsoever until 1983. The minister also knows that in 1982 the Commonwealth Games are in Australia, the games which Canada won in Edmonton in 1978, lifting the pride and spirit of all Canadians.

Does the minister have any plans and any special funding in mind and, if so, will he tell the House?

Hon. Gerald Regan (Secretary of State): I want to tell the hon. member that the money that is being presently voted for fitness and amateur sport is being spent in such an efficient manner that we believe the needs and demands leading up to events such as he has mentioned, the World Student Games that will be held in Edmonton, are provided for. What we do need is a great deal of money to help support the Winter Olympics in Calgary in 1988 and in the years leading up to that date. That is why it is important we move now in the direction of something like the sports pool. In the meantime, I am confident the Treasury Board, in its infinite wisdom, will continue to recognize the importance of the work of fitness and amateur sport.

The Late Hon. Thérèse Casgrain

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Monday, November 2, 1981, and finds that they meet the requirements of Standing Orders as to form.

* * *

[*Translation*]

THE LATE HON. THÉRÈSE CASGRAIN

Hon. Monique Bégin (Minister of National Health and Welfare): On a point of order, madam Speaker.

Madam Speaker: The hon. Minister of National Health and Welfare on a point of order.

Miss Bégin: Madam Speaker, I have just learned—and the procedure I am using may not be the right one—of the death this morning of the Hon. Thérèse Casgrain. Without intruding on the official tributes that the party leaders will want to pay her, as a spontaneous reaction I would simply like to tell all my colleagues that this great Canadian and Quebec woman passed away in the only fitting way for her, that is quickly without pain, at an age where she had given enormously to her country. As she had called my office yesterday, I know that she was in good health. All we can say is that we offer our most affectionate sympathies to her children and grandchildren of whom she was so proud.

Madam Speaker: I am myself surprised to hear this news which, I am sure, affects everyone sitting in this Parliament. Canada has lost in Mrs. Casgrain a conscience and a great militant because she was a woman of action. Canadian women have certainly lost a model for their social and political action and many of us have also lost a very dear friend. On behalf of the House of Commons, I would like to offer her family and her children our deepest sympathy, and I am sure that others will want later on to express their feelings of sympathy and admiration, but I am speaking now on behalf of the Members of Parliament.

[*English*]

Mr. Edward Broadbent (Oshawa): Madam Speaker, on behalf of my colleagues I would like to join in the expression of grief and condolences to the family which you have just expressed along with the minister. It comes as a great shock to all of us to hear of the death of such a distinguished Canadian.

Today Canada has lost a person who has made a very great contribution not only to the people of her own province for whom she worked all her life, not only to the cause of equality of women to which she devoted a good part of her life, but to the cause of the general improvement of the human condition for all Canadians.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, it is with great shock and regret that we learn the sad news of the death of Madame Thérèse Casgrain. She was a friend to many of us. I think particularly of the way she offered encouragement not only to those within her own province or to those with whom she associated on a regular basis, but to the many of us with whom she came in contact from time to time. I think of the encouragement she offered us to fight not just for women, as she did on an unending basis, but in the way she helped achieve the franchise for women in the province of Quebec. She instilled in all those who knew her the desire to go ahead and fight for the things we knew were right and proper in whatever forum we found at our disposal, whether it was in the House of Commons, the Senate, provincial legislatures or among the general public.

She inspired people to follow her example and it is a great loss to her family, friends and country.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. SKELLY—S.O. 43 MOTION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question of privilege might be delayed because the Minister of Indian Affairs and Northern Development has left the chamber. I do not think the motion that was defeated under Standing Order 43 should be allowed to be sabotaged by the government saying no. I hope to raise this with him at a later date.

Madam Speaker: Order, please. I would just indicate to the hon. member that if he is thinking of raising that question again when the hon. minister is present, I will not allow him to reflect on a decision which the House has already made. The House has made a decision concerning that motion under Standing Order 43. It has said that it did not give unanimous consent to put the motion to the House. Therefore, the hon. member may not comment further.

* * *

POINTS OF ORDER

MR. LEWIS—S.O. 43 MOTIONS MOVED BY PARLIAMENTARY SECRETARIES

Mr. Doug Lewis (Simcoe North): Madam Speaker, referring also to the proceedings under Standing Order 43, today there were two motions made by parliamentary secretaries under that Standing Order, the hon. member for St. Boniface (Mr. Bockstael), the Parliamentary Secretary to the Minister

of Transport, and the hon. member for York South-Weston (Mrs. Appolloni), who is Parliamentary Secretary to the Minister of National Defence.

Traditionally, we have used Standing Order 43 to bring to the attention of the House matters of urgent and pressing necessity. The rule on this side, Madam Speaker, is to give Standing Order 43 motions to as many non-front bench, non-ex-cabinet ministers as possible. We occasionally break that rule, such as last week when the hon. member for Vegreville (Mr. Mazankowski) presented the very important report on VIA Rail. It gives our members an opportunity to bring matters forward which they might not do during question period.

We have worked very hard to shorten the length of preambles under Standing Order 43. Today we had nine. Occasionally we get the odd humorous motion to give a little balance.

I would draw your attention, Madam Speaker, to page 134 of Beauchesne under the heading "Questions by Parliamentary Secretaries", where it states:

> Those such as parliamentary secretaries who are clothed with the responsibility of answering for the government ought not to use the time of the question period for the privilege of asking questions of the government.

I would suggest that motions under Standing Order 43 is also a time in which it is a matter of privilege. We feel very strongly that that privilege should be reserved for backbenchers. That may not be the feeling among hon. members opposite.

● (1510)

We realize that there are occasions when there is a death of a head of state and when a frontbencher, a cabinet minister or, indeed, the Prime Minister may wish to bring forward a motion under Standing Order 43. This has been brought to Your Honour's attention in the House before. We do not object to motions under Standing Order 43 of a local nature which a member on the government side can legitimately bring forward. We do object to lengthy, self-serving motions under Standing Order 43 moved by parliamentary secretaries which are meant only to advertise the government.

If there is a legitimate reason for proposing a motion, there is no objection from this side; but I point out with respect that, as recorded in *Hansard* for December 1, 1980, Your Honour undertook to look into this practice. On a day when two parliamentary secretaries have proposed two motions under Standing Order 43 of a self-serving nature, I ask Your Honour to look at that practice and give us a ruling.

Madam Speaker: I think I can give the hon. member a ruling on this matter. It is up to the parties to determine whether they prefer to allow backbenchers or frontbenchers to propose motions under Standing Order 43. I recognize hon. members when they rise. I do not make much distinction whether they are backbenchers or frontbenchers. If they rise, they are entitled to be recognized, if there is time, and that is the practice I follow.

I think the hon. member was confusing the asking of questions with motions under Standing Order 43. I believe my predecessor ruled that parliamentary secretaries may not ask questions during question period, but Standing Order 15(2) says very clearly that members other than ministers of the Crown may propose motions pursuant to Standing Order 43. Members other than cabinet ministers include parliamentary secretaries. It has been the custom in this House to allow parliamentary secretaries to bring matters forward under the provisions of Standing Order 43. I agree with the hon. member that the shorter these motions the easier it is for the Speaker to fit in everyone who wants to put motions under the provisions of Standing Order 43. This, by the way, also applies to questions in the course of the question period.

I am sorry, but I will take this opportunity to say that I feel that the matter is really getting quite out of control. Questions are certainly too long, and I might say that of certain answers. But when questions are long, hon. members cannot expect the Speaker to interrupt the answers too quickly because there is a certain logic to the proposition that sometimes answers need to be a bit longer than the questions, although not all the time. If the hon. member wants to restrict the putting of motions under the provisions of Standing Order 43 only to Members of Parliament who are not parliamentary secretaries, I am afraid he will have to have the Standing Orders changed because, as I read them, parliamentary secretaries are allowed, and have traditionally been allowed, to put motions under the provisions of Standing Order 43.

Mr. Lewis: Madam Speaker, with respect and without in any way questioning your ruling, you did get into the subject of the question period, and I point out that since this House resumed on October 14, 61 per cent of the questions asked by government backbenchers have been self-serving and not "back home" type questions. If that point is to be made, I think it should be made to members of this House on the government side because that is where the questions are coming from. Last Friday there were three of them.

Madam Speaker: Order, please. I commented on the length of questions and not on the suggestion that they are self-serving. The Speaker has no opinion on the substance of questions.

Incidentally, I want to correct myself. When the hon. member for Red Deer (Mr. Towers) presented his motion today under Standing Order 43, I referred to motions being serious. I should have said that there is a certain form which we are accustomed to following under the provisions of Standing Order 43. When I said "serious", I was in a way passing judgment on the nature of the motion, and I should not have done that. However, I think the hon. member understood that I was referring to form.

MISS MACDONALD—CUTBACKS IN POST-SECONDARY EDUCATION FINANCING

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a point of order as a result of the words today of the Secretary of State (Mr. Regan), who has since

left the House. However, at one point he said that I had reacted with glee to the news of cutbacks in post-secondary education. He should better have said that I reacted with grief. As I do, the Secretary of State comes from a city with large numbers of students, universities and community colleges—

Madam Speaker: Order, please. The hon. member is debating. She is continuing the debate, and that is not a point of order.

MR. PAPROSKI—LOTTERIES—REQUEST FOR STATEMENT FROM MINISTER

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a point of order in reference to the remarks the Secretary of State (Mr. Regan) was supposed to make today telling us what he is going to do with the $32 million he is getting from the provinces with respect to lotteries.

Madam Speaker: Order, please.

MR. WADDELL—SUGGESTED IMPOSITION OF PENALTIES FOR LENGTHY QUESTIONS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise on a point of order with respect to the remarks you made in relation to the length of questions. I wonder why we cannot apply the rules of hockey and give penalties when people ask long questions; in other words, they should not be allowed to ask supplementary questions. I suggest Your Honour might do that. Our party used to be allowed four questions. It is a long way down here and, if hon. members to my right continue to abuse their privileges by asking long questions, we will not be able to ask four questions. I respectfully suggest that Your Honour apply the rules of hockey and impose penalties. I will sit down. That will be the first penalty.

Mr. Nielsen: Send him to the showers!

Madam Speaker: It has happened that members of the New Democratic Party have been allowed to ask four questions in the course of the question period, but that has only been when all questions have been extremely short. I try—and I have statistics to substantiate this—to allow exact proportions of questions to the opposition parties as related to their numbers in the House. We could add another factor and speak of presence in the House, but I think that would be terribly unfair because when members are not in the House, that does not mean they are not working toward the accomplishment of their responsibilities. They might be in committees or somewhere else. So I do not think any kind of penalty—if I am allowed to use that word—should be applied in such circumstances. However, I do try, and the proportion is absolute.

If all questions were shorter, I am sure I could sometimes allow four questions to the New Democratic Party. What is happening in fact is that the Conservative Party is allowed three times more questions than the New Democratic Party. However, sometimes when questions are too long I have to proceed on the basis of time rather than numbers because I cannot penalize the New Democratic Party if its members' questions are short and when questions from the Conservative Party are too long. I have statistics on that. They are absolutely clear.

When hon. members rise and I do not recognize them, I keep a carry-over list. Once in a while I let the list go, but from week to week I keep a carry-over list and I try to recognize those who rise several times unsuccessfully. That is the situation respecting questions in the House, but I urge hon. members to make their questions shorter.

Mr. Paproski: And answers.

Madam Speaker: Members of Parliament who were in the House ten years ago say to me that they do not recognize the House because we do not have questions any more, we have statements. I think we would be better off if we followed the Standing Orders, which say that questions should be brief and should be made to elicit information.

Mr. Nielsen: Madam Speaker, I have just one sentence by way of a suggestion to the Chair. The Chair might also—and I am sure it will—urge ministers to keep their answers short and not in the form of statements.

[*Translation*]

Mr. Pinard: If I may add very briefly to what my learned colleague has just said, replies could sometimes be shorter, but there is so much shouting on the side of the opposition that we are not able to say what we have to say and before replying we must wait for the opposition to stop shouting.

Madam Speaker: I must say that there is heckling on both sides of the House. Sometimes the disturbance comes from one side and sometimes from the other.

[*English*]

The hon. member for Yukon.

Mr. Nielsen: Madam Speaker, you have just said what I was going to say.

MR. TOWERS—PROCEDURE RESPECTING S.O. 43 MOTIONS

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise on a point of clarification respecting Your Honour's comment in which you suggested that perhaps I was out of order. It has never been my intention to be out of order, but I want to know in what respect I was out of order and if there is something in the Standing Orders which prohibits a member from finishing two lines which rhyme in order to make a point.

• (1520)

I could have suggested that cabinet ministers are abusing privileges with three of them flying in separate jets to Winnipeg. No doubt they feel it is a government perk, but it certainly gives the taxpayer an awful knee-jerk. This is the point. If I am in error, I want to know where I am in error so

that I will not do it again. Nevertheless, as a member I think I have the right to make a point.

Some hon. Members: Hear, hear!

Madam Speaker: I thought of that. Nowhere in the Standing Orders is it written that a member may not express himself in verse. However, I was basing my comment on the fact that there is a certain form which has traditionally been used for motions under Standing Order 43. When the hon. member has to bend what he wants to express through his motion in order to satisfy the need to verse, sometimes the House breaks into laughter and obviously we get the message that the hon. member is really trying to speak in verse rather than propose a motion under Standing Order 43.

It is, however, a good point and I will look at it. I do not think that anywhere in the Standing Orders does it state that members may not express themselves in verse. A motion under Standing Order 43 must be put in earnest. The hon. member must move something that is meaningful in order to fulfil the requirements of a motion under Standing Order 43.

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

TABLING OF ANNUAL REPORT—CORRECTION OF ERROR

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, pursuant to Standing Order 41(2), I would like to indicate that an error was contained in the original document tabled in the House on Friday, October 30 of this year. Recommendation 35 subparagraphs (1), (3), (4) and (6) should read recommendation 35, subparagraphs (2), (4), (5) and (7), which I am pleased to table herewith in both official languages.

* * *

PETITIONS

MISS MACDONALD—CUTBACKS IN POST-SECONDARY EDUCATION FINANCING

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I wish to present a petition signed by 1,852 students from Queen's University and St. Lawrence College in the constituency of Kingston and the Islands. These students are gravely worried about the threat posed to their future and to the development of our human resources by the proposed financial reduction to their institutions of higher learning by the federal government. They took collective action last Thursday to protest any cutback of this federal contribution.

Introduction of Bills

MR. WENMAN—EFFECTS OF HIGH MORTGAGE INTEREST RATES

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present a petition on behalf of my constituents. The purpose of this petition, signed by another 466 citizens in the greater Vancouver area, is to indicate to the government that the mortgage interest crisis that is forcing them out of their homes and into dire straits is continuing unabated.

The nature of the petition is to demand that in the forthcoming budget the government lower interest rates, allow mortgage interest to become income tax deductible and to allow and encourage the vast reserves of capital available through RRSPs, pensions and other large blocks of government money to be made available to the mortgage market.

The petitioners hope, Madam Speaker, that in your examination of their petition you will find the petition in order, sense the urgency and desperation of their plea and that you might use the discretionary powers vested in your office to allow discussion and referral to committee at the earliest possible moment.

* * *

SENATE OF CANADA REFORM ACT

MEASURE TO PROVIDE STRUCTURAL REFORM

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-640, to provide for structural reform of the Senate of Canada.

Some hon. Members: Explain.

Mr. Yurko: Madam Speaker, I thought my seatmate was going to second the motion rather than the hon. member for Esquimalt-Saanich (Mr. Munro). Nevertheless, you have indicated that somebody did second the bill.

This bill is intended to highlight the fact that the first order of business of the Parliament of Canada after the patriation of the Constitution is Senate reform. It is intended to provide representation in Parliament of the national interests, regional interests and provincial interests by structuring the Senate of 150 senatorial chairs to relate to the national interest, by providing 30 senatorial chairs for each region of Canada and permitting five of the senatorial chairs to be filled by provincial appointments for each province. Furthermore, the bill is structured to provide the Senate body and each individual member with stability, continuity, accountability, legitimacy and independence, maintaining the power of the Senate as it exists today.

I hope that at some future time I will have the opportunity to discuss in much more detail the structure of this bill as it relates to the national interests, the regional interests, the provincial interests and to a much more meaningful role of the Senate of Canada in this nation in the years to come.

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

Order Paper Questions

POINT OF ORDER

MR. BEATTY—QUESTIONS ADDRESSED TO COMMITTEE CHAIRMEN DURING QUESTION PERIOD

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I rise on a point of order. I apologize for interrupting at this point. However, I was wondering whether the Chair might give some guidance as to when it might be possible to rule on the point of order I raised last week with regard to questions put to committee chairmen being answered by members of the cabinet.

Madam Speaker: I will rule tomorrow on that point of order.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,321, 2,426 (Revised), 2,434, 2,677, 2,768, 2,787 and 3,236.

[*Text*]

YOUTH BETTERMENT PROJECTS

Question No. 2,321—**Mr. Herbert:**

For each of the past five years, by province (a) what amount was granted by the Department of the Secretary of State to rural youth for community betterment projects (b) what was the total amount spent to provide information exchange between social regions?

Hon. Gerald Regan (Secretary of State):

(a) The department has no specific program for rural youth.

(b) Please see revised reply to question No. 2,426 answered this day.

OPEN HOUSE PROGRAM GRANTS

Question No. 2,426 (Revised)—**Mr. Herbert:**

1. In each of the past five years, by province, what amount was granted under the Open House Program?

2. Did the Department of the Secretary of State grant moneys under the Program to L'Ecole Secondaire de Vaudreuil and, if so (a) on what date (b) in what amount (c) for what purpose?

Hon. Gerald Regan (Secretary of State): 1. See list of grants below.

2. Date	Amount	Purpose
April 26, 1978 (trip took place in April)	$8,468	Travel grant for an exchange visit with the Port Moody Senior Secondary School, in Port Moody, B.C.
April 13, 1981 (trip will take place in June)	Approx. $15,000	Travel grant for an exchange visit with the Armstrong Junior Secondary School in Armstrong, B.C.

Open House Canada Grants by Province

Province	Year 1977-78	Amount	Year 1978-79	Amount	Year 1979-80	Amount	Year 1980-81	Amount
Nfld.		26,668.00		430,256.00		301,549.00		313,107.90
P.E.I.		8,874.00		113,221.00		120,611.60		158,846.00
N.S.		20,468.00		541,423.86		369,293.00		274,000.90
N.B.		1,773.00		236,730.20		182,186.00		239,291.20
Que.		176,667.94		1,770,305.96		1,580,067.00		1,414,000.00
Ont.		994,616.71		4,443,375.25		838,595.00		697,000.00
Man.		25,692.00		247,808.00		198,119.15		184,311.00
Sask.		34,187.80		501,773.10		352,399.00		283,470.00
Alb.		14,706.00		1,187,095.45		773,554.00		833,000.00
B.C.		172,577.32		2,169,371.28		1,709,258.00		1,507,666.00
Yukon				74,872.00		19,256.00		76,505.00
N.W.T.		4,000.00		237,195.68		152,741.00		85,808.00
Non-governmental national organizations						3,369,000.00		3,646,271.00
Total		1,480,230.77		11,953,427.78		9,966,628.75		9,713,277.00

NOTE: O.H.C. granting activities did not begin until 1977/78.

URANIUM TRIOXIDE REFINERY

Question No. 2,434—**Mr. Blaikie:**

1. Does the Department of National Health and Welfare have information on the amounts of uranium dust and other radioactive or hazardous material that will be discharged from the proposed Uranium Trioxide Refinery at Blind River and, if so, what is the information?

2. Are the figures the same as the figures for Eldorado Nuclear Limited or were they arrived at independently?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes. The information on uranium dust levels and other discharges received by the department is the "Application to the Atomic Energy Control Board for Construction Approval, Blind River Refinery". The department is requested to review this information by the AECB to ascertain whether the proposed refinery's assumptions and calculations are plausible and reasonable. All submissions to the AECB for con-

struction of nuclear facilities are available to the public and can be obtained from the library of the AECB.

2. The AECB is the sole legal authority responsible for assessing and licensing of nuclear facilities. At their request, the Department of National Health and Welfare reviewed the figures that were submitted by Eldorado Nuclear Limited. The figures quoted by Eldorado Nuclear were based on accepted predictive models and were not arrived at independently by the Department of National Health and Welfare.

METRIC COMMISSION MAILING LISTS

Question No. 2,677—**Mr. Beatty:**

1. For 1981, does the Metric Commission have mailing lists and, if so (a) how many (b) in each case, what is the nature of the list and how many names are on it?

2. Do some names appear (a) on more than one list (b) more than once on the same list and, if so, how many names?

3. Are the lists updated and, if so, how often?

4. Are checks done to determine whether an individual on a list is from the same organization as other individuals on the same list and, if so, how often?

5. In 1980, what was the cost to the taxpayer for duplications by the Metric Commission?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned: 1. (a) and (b) One master mailing list file comprised of 83,635 names within 650 specific mailing list categories. The purpose of the mailing list is to disseminate information related to metric conversion to the primary intended audience and to increase the general awareness of metric conversion activities.

2. (a) Some names are included in more than one mailing list category within the mailing list.

(b) All names appear only once within each mailing list category.

3. The mailing list file is updated once a month.

4. In some cases there are more than one individual from the same organization on the mailing list. In such cases, each individual has requested a personal copy of a specific publication.

5. The costs to the taxpayer for duplication are minimal. Before any name is added to the mailing list file, it is checked to ensure that it is not already included in the list.

PATENT AGENTS

Question No. 2,768—**Mr. Skelly:**

1. In what manner is the impartiality and fairness of the examination procedure for patent agents guaranteed and maintained?

2. How is the difficulty of the certification examination for patent agents established?

3. In each of the past six years, how many individuals attempted the patent agent certification examinations and how many were successful in passing?

4. Does the Department of Consumer and Corporate Affairs, on behalf of the Institute of Patent Agents, intentionally attempt to regulate the number of patent agents that are certified and operating in Canada?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. Candidates for the Patent Agents examination are given a number when they enter the examination centre. This number is the only identification for all their papers and no other identification is allowed. The supervisors at the examination centres note the numbers and names of the candidates at their location and return this, with the papers, to the Public Service Commission. The officer of the Public Service Commission responsible for conducting the examination makes a key list of all the candidate's names and numbers and sends it, sealed, to the Commissioner of Patents who keeps it sealed. The examination board learns the identities of the candidates only when the envelope containing the key list is opened after the marks and standings have been settled. Every answer in the examination is marked by at least two Board members acting independently of each other and without knowledge of the marks allotted by the other. They make separate returns of their marking to the secretary of the board. The board meets to finalize the marking and grading of all papers while they are still identified by number only.

2. The standard and subject matter of the examination is set by an examining board appointed by the Commissioner of Patents. The board consists of six persons, four patent agents who have been nominated by the Patent and Trademarks Institute of Canada, and two persons from the examining staff of the patent office. The maintenance of uniform testing standards is achieved through a continuity in the make-up of the board, which results from having members serve three-year terms on an overlapping basis. The examination is divided into four papers, A to D, of equal value. Each paper includes one major question as well as some minor questions. The candidates are told in advance that the following areas will be covered in the major questions: the drafting of an application for a client, patent validity, problems associated with the prosecution of a pending application before the patent office and advising a client in an infringement action. The technical subject matter used to test these areas is selected by the board and is such that a competent patent agent should be able to understand and work with it.

3. Breakdown of examination results 1976-1981

Year	Number of candidates	Number of successful candidates
1981	28	10
1980	21	11
1979	25	7
1978	24	11
1977	21	8
1976	22	11

4. No.

Order Paper Questions

LANGUAGE TRAINING FOR POSTAL EMPLOYEES

Question No. 2,787—**Mr. Cossitt:**

With reference to the answer to question No. 2,524 which states in part that 200 postal employees are being given crash courses in the French language, by province, how many employees are being given crash courses of a similar nature in the English language?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): A total of 280 postal employees from the province of Quebec took part in courses of a similar nature offered in the English language.

RULES OF HOUSE OF COMMONS

Question No. 3,236—**Mr. Cossitt:**

Under the present rules of the House of Commons, are Members of Parliament not allowed to question directly House of Commons expenses, appointments and promotions and, if so, is the government prepared to give consideration to proposing alterations in the rules to enable Members of Parliament to have full control of their own House and to have the right to question the administration of the House in the House of Commons?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): All inquiries about the administration of the House of Commons may be directed to the Speaker of the House of Commons. Standing Order 65(13) provides that "All matters relating to the administration of the House and the provisions of services and facilities to members shall be deemed to have been referred to the Standing Committee on Management and Members' Services on the first day of each session." The names of the chairman, vice-chairman and other members of this committee are published as an appendix to House of Commons *Debates* each Wednesday. Successive editions of Beauchesne's Parliamentary Rules and Forms are quite clear about these matters, and even if the Table ignores these rules and allows questions such as this, the government considers the hon. member for Leeds-Grenville to be able to read the relatively straightforward precepts cited which are published in both official languages.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Mr. Cossitt: Madam Speaker, approximately three weeks ago when the parliamentary secretary made his debut in the House as the newest Dr. No, I raised a reference to question No. 30 which has stood on successive order papers in various Parliaments and sessions of Parliaments for a period of five and a half years. The question concerns, very simply, the members of the Canadian Transport Commission who have passes on Air Canada, their names, the names of their wives who have such passes and the names of employees who have such passes.

I would think it would be very simple for the question to have been answered, but in five and a half years it has not been answered. In this regard, I was advised by officials of Air Canada at least eight months ago that the answer had long been prepared and long since sent to the minister's office for passing on through the Privy Council to this House. Therefore, I raise it again. I intend, if the Chair permits, to keep raising it periodically to find out why a question of such a serious nature is not answered when it involves the Canadian Transport Commission which, in effect, is the body that controls Air Canada to a great extent. At the same time, the CTC has in return been accepting passes from Air Canada, gifts from Air Canada in effect, yet we are not allowed to know who these people are and what they may be doing or may not be doing, as the case may be, in return for these gifts from Air Canada. I believe it is time the people of Canada were told.

• (1530)

There are two other questions. One is question No. 93 asking for the names of all executive assistants and special assistants to members of the cabinet, their salaries, when they started and anyone under contract to a cabinet minister. That question has been on the Order Paper for months. I think it would be relatively simple to compile an answer to that question unless there are more niggers in the woodpile, such as what we heard about recently in the case of the Minister of Energy, Mines and Resources. There is certainly something wrong when that question cannot be answered.

Finally, question No. 136 goes back to the election of May, 1979 and again concerns Air Canada when the Liberal Party rented from the Crown corporation, Air Canada, a DC-9 to travel the Prime Minister around the country. This aircraft was never paid for. The bill was still in dispute months later. I asked when the bill was paid, and what amount was paid. Officials at Air Canada told me this answer was prepared eight, nine or ten months ago and placed on the minister's desk.

Perhaps I can ask the President of the Privy Council, whom I see in the House, to respond to this question, rather than the parliamentary secretary, because he would be in a better position since he has been in office longer and obviously he is more familiar with these points of order since I have raised them so often. I would expect the President of the Privy Council would be able to tell this House why we cannot receive answers to the three questions I have just mentioned. It indicates to me that there is a deliberate attempt on the part of the government to hide some legitimate things we have a right to know about. We find out all sorts of secrets about three ministers flying to Winnipeg on three different aircraft. This is the type of thing that is prohibiting them from telling the House who has all the free passes, who is having all the joy rides on Air Canada and things of that nature.

Mr. Smith: Madam Speaker, first of all, it is regrettable that the hon. member made his point by using a remark that I consider to be a racist slur. It may or may not be unparliamentary, but I believe it is beneath the dignity of this House to use such a phrase in the House.

With regard to questions on the Order Paper, the government has a very good batting average. Prior to the resumption of the House on October 14, we had answered over 83 per cent

of the questions on the Order Paper. There have been over 500 new questions put on the Order Paper since then, many placed there by the hon. member. I believe the hon. member should be referred to Section 363 of Beauchesne, which says that insistence on an answer is out of order.

The hon. member says that he may continue to raise this point. I submit, Madam Speaker, the hon. member is really out of order in continuing to insist upon answers when we have gone out of our way to come up with the answers to most of his questions.

Mr. Cossitt: I rise on a further point or order, Madam Speaker. I should like to clarify the reference the parliamentary secretary made to what I said. I do not know whether he said it sounded racist or what, but I was using an expression that is simply a common expression. It has gone beyond the point—

Madam Speaker: The hon. member is now debating.

Mr. Cossitt: If the remark was taken as a racist remark by anyone, I would naturally withdraw it. To me it is similar to saying "where there is smoke, there is fire". It is simply a matter of fact. I certainly was not intending a racial slur of any kind. I should like to make that very clear.

I know there is no insistence in the rules that questions must be answered. I acknowledge that point. On the other hand, there is a moral obligation that requires something to be done in the nature of answers to questions. I do not believe I am wrong in raising points of order. I believe it is my privilege. I could even make it a question of privilege that I have the privilege to raise points of order. It is a well established precedent of this House that a member has that right if the government ignores questions or it tries to hide something. Granted, the government can keep hiding it for another five and a half or ten and a half years if they are that hard up in not letting the Canadian people know the answers.

I believe it is an error to impugn my motives by saying I have no right to raise points of order in this regard. I will certainly continue to raise them when the government deliberately and obviously denies information to the House and to the Canadian people about answers they are rightly entitled to have, unless the Chair rules me out of order.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed from Friday, October 30, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 23 (Mr. Wilson).

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, last Friday afternoon we commenced debate on Motion No. 28 with regard to Bill C-48. I shall refer to some remarks that were made by my colleague, the hon. member for Calgary South (Mr. Thomson). My hon. friend pointed out that the position of the Conservative Party is that we do not believe in any form of confiscation. We do not think the back-in provision is right. This clause concerning confiscation is causing serious problems across the country and the mass exodus of funds from businesses leaving this country. In a few moments I shall go into detail.

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

Mr. McKenzie: My hon. friend from Calgary South, as reported at page 12365 of *Hansard*, said this:

I should like to return to what I believe to be the broader aspects of Bill C-48 and their impact on Canada. One question we should consider is where we will find the money. Energy self-sufficiency is a nice goal. It sounds nice, it is a nice phrase. But where will we find the money?

At the rate we are going with Bill C-48, the National Energy Program, we will have difficulty finding the money. Someone has to think up these National Energy Programs for Bill C-48. The October, 1981, edition of *Saturday Night* went into some detail as to who was drawing up these socialistic and nationalistic bills. *Saturday Night* points out:

Ottawa's energy policies have created a new rogue's gallery for the oilpatch. Marc Lalonde, the energy minister, is cast in the most satanic light, but the bureaucracy has also produced villains, Ed Clark, one of the authors of the NEP document—

—and probably Bill C-48—

—has assumed a notoriety in Calgary never previously accorded a civil servant. A mythical view of him has seeped down even to the roughnecks, among whom he's variously rumoured to have been either an aide to Che Guevara or Fidel Castro's right-hand man.

Selected quotations from his PhD thesis—"Socialist development and public investment in Tanzania, 1964-73"—are passed around as proof of his communist leanings.

No wonder these bills have so much support from the NDP.

What's more, Clark seems impervious to the most hypnotic technical logic of Calgary's promoters. "He's just not interested in permeability and porosity," moans Jim Gray, "I don't talk to him any more."

Ed Clark cannot even consult with members of the energy industry.

The article went on to say:

If Ed Clark has emerged as the newest bête noire, he at least has only to travel occasionally to Alberta. For Ottawa's men on the spot, the heat in the past year has been intense. The brunt of vilification falls on Bill Hopper and Joel Bell. They were always clearly Ottawa men in the eyes of the oilpatch, but the period of Tory rule stamped them as Liberal Ottawa men—cynical manipulators who politicized PetroCan for the defeat of Joe Clark. Those executives who showed insufficient loyalty in that period, who even suggested to the Tory task force that Hopper and Bell might be the problem with PetroCan, paid the price when the Liberals returned to power.

In other words, revenge, Mr. Speaker. With regard to Bill C-48 the Liberals tell the Canadian people about their energy

policies in their householders to their constituents. They point out that the new deal will benefit all of us and that there is a new spirit of compromise and co-operation. There is no such thing. The Liberal policies have driven business after business and billions of dollars of investment funds out of this country. I will go into that in more detail in a moment to show what a dangerous piece of legislation Bill C-48 is.

● (1540)

The Liberals, in misleading their constituents, also pointed out:

Canadian consumers are protected from spiralling and erratic OPEC prices.

This is absolute nonsense. We will have to import more and more OPEC oil. We are not being protected at all. The Liberal policy of paying world prices for oil is not protecting Canadian consumers. The Liberals went on to say there will be—

—jobs and opportunities in every region due to energy projects, and new economic growth.

But they neglected to say in their mailings that the growth will be in the United States, not in Canada. In a recent article referring to the NEP and Bill C-48, it was pointed out that both have been a disaster for everyone in the Calgary oil patch but that for some it has been a blessing in disguise. Larry Darling, president of Concept Resources Ltd., said in the company's latest annual report:

At this time we wish to thank the Liberal Government of Canada for its national energy policy.

The Liberals are getting thanks from someone. He continued:

Without this policy Canadian entrepreneurs might have stayed only in Canada and thus would have missed the international opportunities the Liberals so much wanted them to find elsewhere. Without this new energy policy, Canada could not have been self-sufficient in oil by 1990. We are now assured of success, the same success we have with the Canadian Post Office, the Canadian Broadcasting Corporation, Canadian National Railways and Mirabel Airport.

He went on to say:

On a smaller scale, without this policy, Concept would not have found the Givans and Cowans wildcat wells. We would not have opened our office in Denver and Billings.

This was Billings, Montana. He continued:

Finally, had it not been for the Canadian government, we would not have discovered the Hailstone Dome oil field in Montana. Thank you Pierre Elliott Trudeau and your Liberal party followers for your help and assistance in furthering our cause for free enterprise.

Of course, this is in the United States, not in Canada. The Liberals are saying that Bill C-48 and the NEP are good for Canadians. They are not good for Canadians. They are costing jobs and businesses are closing down. Also they are causing one of the greatest booms the United States has ever experienced, going down as far as Oklahoma and Texas, thanks to Liberal policies. Motion 28 in regard to Bill C-48 is just another road block for small Canadian developers. Motion No. 23 in the name of the hon. member for Etobicoke Centre (Mr. Wilson) reads:

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 28 by striking lines 13 to 17 at page 16 and substituting the following therefor:

"former lease under which significant or commercial discoveries of oil or gas were made on or before October 28, 1980 or in respect of any interest that succeeds that former lease".

We want to remove this further penalty on Canadian oil companies. I want to make it perfectly clear that we are not talking about a bunch of multinational oil companies. We are talking about Canadian oil companies and Canadian developers.

Recently the Minister of Employment and Immigration (Mr. Axworthy) stated that he foresaw a hard winter ahead because of September jobless figures. He said that it will be a really tough winter with a lot of unemployment. But there will be no hard winter ahead in the United States due to Bill C-48 and the National Energy Program. We are helping its economy immensely with ridiculous socialistic and nationalistic bills. It is all very well that they want to nationalize oil companies and "get" those big, bad oil companies, but taxpayers will have to pay a penalty. Actually these big, bad oil companies are not all that big. They are just small Canadian firms.

In order to provide a further idea of what the energy program and Bill C-48 are doing, a recent article appeared in *The Calgary Sun* entitled, "Oil Patch Brain Drain". It indicated that a stampede of Canada's best oil brains to the United States was under way; that is, according to sources in Calgary and Denver, Colorado. It also indicated that they were leaving because Ottawa's oil policy was forcing small, independent oil firms to cut costs by laying off their technical staff. I fail to see how this helps Canada in any way. This was a report of statement by a Calgary oilman, Mr. John Masters. It went on to indicate:

Masters, president of the Calgary-based Canadian Hunter Exploration Ltd., a half-billion dollar oil and gas exploration firm, has criticized the national energy policy before. But his charges are confirmed by *The Denver Post* which says U.S. immigration is now processing "literally hundreds" of requests for work permits from Canadian oilmen.

The Denver Post quoted Jim Hardin, a Denver U.S. immigration official, as saying:

There's been a big rush in the past year . . . we've never had anything quite like it.

I find it strange that the Liberals are not telling their constituents this in their householder mailings. This is what they should be telling them. Instead, the Minister of Energy, Mines and Resources (Mr. Lalonde) is leading them around by their noses, and Ed Clark, with a communist background, is drafting this diatribe. Also it reported that 25 to 35 Canadian energy companies opened offices in the nine-state Rocky Mountain region over the past 12 months. Mr. Masters called it "a panic flood of the best technical people in the Canadian oil industry." I fail to see how this is helping us in any way.

We have heard the platitudes and overtones of the parliamentary secretary, but there is never any detailed technical or statistical information. We hear only general statements that the NEP and Bill C-48 are good for us. This is how socialist talk. Anyone who reads about socialism will find out that socialists do not want to confuse with facts, figures and statistics. It is just an endless flow of words which read like a prayer.

Mr. Waddell: Mr. Speaker, I rise on a point of order. As reported on page 12364 of *Hansard*, we are now dealing with Motion No. 23. I believe the hon. member is speaking to Motion No. 28. Perhaps Mr. Speaker could draw his attention to the fact that we are supposedly debating Motion No. 23 which concerns three-year periods of tax holidays. Perhaps the hon. member could speak to that.

Mr. Deputy Speaker: The hon. member's point is well taken. Debate at committee report stage is supposed to be specifically directed to the amendments before us.

Mr. McKenzie: Motion No. 23 is our motion. We are debating Clause 28 of Bill C-48 with which our motion deals.

Mr. Deputy Speaker: With all due respect to the hon. member, the motion which has been moved and is currently before the House is Motion No. 23.

Mr. Jarvis: That is correct, but Motion No. 23 amends Clause 28.

Mr. McKenzie: I read our motion into the record; it amends Clause 28. I was dealing with the mass exodus of investment money, businesses and technical expertise out of the country because of Liberal policies. Also Mr. Masters indicated:

> They're trying to save their skins, their income and their lifestyle by getting down into the U.S.

He also said that the exodus was triggered by the 35 per cent cut in the cash flow of small, independent oil firms created by the national energy policy. The particular clause to which we are referring to today is a further penalty for small Canadian companies. These companies are predicting wholesale lay-offs just around the corner. Masters says he already knows of 15 companies where the lay-off of 65 technical staffers has been recommended. They have been laid off and are leaving the country. They do not just go back and forth across the border, Mr. Speaker; once they get established down there they stay and we have lost them. I fail to see how that helps Canada in any way.

● (1550)

Bill C-48 and the National Energy Program are causing a great exodus of capital. I should like to go into detail and point out just how devastating this document is. It quotes the Minister of Energy, Mines and Resources as saying that the Canadian energy industry may become 50 per cent Canadian owned by 1985, five years ahead of schedule, and that it may be 75 per cent Canadian owned by 1990.

However, not all economists are rejoicing over such a prospect, Mr. Speaker. In Toronto, William Mackness of Pitfield MacKay Ross Ltd. says the Canadianization program has set off an unprecedented exodus of Canadian capital and that it is questionable the Canadian economy can stand it. If the National Energy Program and Bill C-48 were of any value, Mr. Speaker, they would be attracting capital, not driving it out of the country. The energy program and this bill should be withdrawn and Mr. Clark in the Department of Energy, Mines and Resources, should be replaced with someone who knows something about this business who could draw up legislation which would help make the country energy self-sufficient.

Mr. Mackness went on to say that the method of calculating capital outflow is not perfect and is subject to error but that, nevertheless, there is overwhelming evidence that the outflow of capital from Canada amounted to about $17 billion in the last 12 months, during which time the stock of several major foreign-owned companies was acquired by Canadian companies or the federal government. He said that after deducting capital inflows, the net loss was $6.7 billion, of which about $2.5 billion was moved out by Canadians, the rest by non-nationals. That is a great deal of money, Mr. Speaker, and we cannot afford to have it driven out of the country. He went on to say that the average annual outflow during the 1970s was $600 million, so the new pace is absolutely unprecedented.

We are heading for tragic times as a result of this plan to nationalize the Canadian oil industry, Mr. Speaker. Mr. Mackness said that making matters worse is the fact that Canada does not now have a surplus in its balance of trade against which the capital outflow could have been offset, that instead, there is a deficit of $3.7 billion for the last 12 months. He said that the most alarming aspect is that Canadians are in fact borrowing abroad to raise the money to buy foreign-owned oil stocks. Hence, interest payments abroad rose from the $1.3 billion level they were showing six years ago to $4.6 billion in the last year; also, dividends that Canadians may earn on their newly acquired oil stocks will be offset by overseas interest payments on the money they borrowed to buy them. You can see what a tragic affair this is all around, Mr. Speaker. Mr. Mackness pointed out that all these factors have served to further weaken the Canadian dollar.

This policy of harassing small Canadian oil companies and developers, which would be the result of Clause 28, will do absolutely nothing to make us energy self-sufficient and will do nothing at all for the country.

An article appeared in the Ottawa *Citizen* on October 28 this year to the effect that the government is fleecing the public with the oil pact. That is an excellent way to describe what is happening. It is just unbelievable how the Liberal government can be taken in by some of the bureaucrats it hires. If I were a member of the government I would not be led around by these people. The power that they have over the government is unbelievable; it accepts this stuff that is drafted for it. *The Citizen* article says that some discouraging words were heard the previous Tuesday as the oil industry began to study details of the energy agreement signed the previous Monday by the federal and Saskatchewan governments. It quoted Bill Dutton of Clan Resources Ltd. as saying that the two levels of government had got together and had fleeced the public. He wondered if the public realized that we have only been producing and shipping at about 47 per cent to 50 per cent since last March and he asked when the situation would be straightened out.

The article also quoted Led Stein, the owner of Sage Oilfield Services Ltd., as saying that he was frustrated that the

two governments claimed to have reached an agreement. He contended that it is not an agreement but a concoction. Mr. Stein is also the mayor of Swift Current.

Bill Whelan, head of the provincial branch of the Canadian Petroleum Association, was quoted as saying that he hoped the agreement will mean a return to the vigorous activity of the past. He said that meetings had been set up at which the association would analyse the accord to see what it would really mean to the industry, referring to the $15.4 billion agreement initialled by the Prime Minister (Mr. Trudeau) and Premier Blakeney. Saskatchewan, the second largest oil-producing province, is expected to gain $5.8 billion from the accord which expires at the end of 1986, while about $6.1 billion in revenues is predicted to be generated for the industry.

I see you are on the edge of your chair, Mr. Speaker, so I will close by pleading with the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) to speak to the minister and ask him to withdraw Bill C-48 and the National Energy Program, and bring in a sensible energy plan that will make Canada self-sufficient.

Mr. MacLaren: Mr. Speaker, I rise on a point of order. During the previous speaker's intervention, which seemed to consist of reading from various newspapers and magazines, he chose to quote from an article which disparaged senior public servants in the Department of Energy, Mines and Resources. The article, which he evidently quoted with approval and subsequently referred to, named the public servants. They are not in this House, Mr. Speaker, and do not have an opportunity to defend themselves. It is not in accordance with the best traditions of this House to name public servants and attack them individually from behind the immunity conferred by membership in this place.

If the hon. member opposite knew the system of government which we enjoy in this country, he would realize that there is one person, the Minister of Energy, Mines and Resources (Mr. Lalonde), who speaks for the government in this area. Today in his absence I act as his surrogate, but the responsibility for the policy resides entirely with the Government of Canada. It does not reside with the group of public servants who are named in this House as if they are perpetrating some monstrous fraud on the Canadian people, or whatever the allegations were.

Mr. Deputy Speaker: Order, please. The parliamentary secretary was recognized in the normal course of debate and he has the right to participate as a member of the House. I do not feel the point he is making is, strictly speaking and within the rules of the House, a point of order. If the hon. parliamentary secretary wishes to continue his speech, the normal time would be allotted to him.

Mr. McKenzie: On the same point of order, Mr. Speaker—

Mr. Deputy Speaker: I recognized the parliamentary secretary as participating in debate in the normal course. I have not recognized a point of order.

Mr. McKenzie: Thank you, Mr. Speaker. I just want—

Mr. Deputy Speaker: No, the hon. member has spoken. The parliamentary secretary has the floor and this is his speech.

Mr. McKenzie: I am rising on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Winnipeg-Assiniboine (Mr. McKenzie) on a point of order.

Mr. McKenzie: I am rising on my own point of order to correct the record. The parliamentary secretary said that we should not mention senior civil servants in this House. It is not a precedent that I have set today. Senior civil servants have been mentioned dozens of times in this House. We are talking about a matter—

Mr. Deputy Speaker: Order, please. The Chair has ruled that a point of order is not involved. The Parliamentary Secretary to the Minister of Energy, Mines and Resources has the floor.

Mr. MacLaren: Mr. Speaker, I did rise on a point of order after the—

Mr. Rae: Mr. Speaker, a point of order.

Mr. Deputy Speaker: The hon. member for Broadview-Greenwood (Mr. Rae) on a point of order.

Mr. Rae: Mr. Speaker, I wonder if the hon. member for Winnipeg-Assiniboine would accept a question?

Mr. Deputy Speaker: The time of the hon. member for Winnipeg-Assiniboine has expired. The Chair has recognized the Parliamentary Secretary to the Minister of Energy, Mines and Resources.

Mr. MacLaren: Mr. Speaker, I rose on a point of order. I shall take the occasion to speak later in the debate.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I welcome the opportunity to speak this afternoon on Bill C-48, the Canada Oil and Gas Act and in particular Motion No. 23 which, as has been pointed out by my colleague, the hon. member for Winnipeg-Assiniboine (Mr. McKenzie), amounts to sheer and utter confiscation. Unfortunately, I do not champion the legislation in its present form, but it is one of immense importance to all Canadians.

• (1600)

I do not sit on the energy committee but I am keenly interested in our national energy policies, as is everyone in this House. It is interesting to note that over 100 witnesses appeared before the energy committee when it considered this legislation, and yet from what I can gather none agreed with the over-all details of the bill. There were no amendments at the committee stage—shades of unilateralism once more, Mr. Speaker. This is the same type of unilateralism we had at the start of the constitutional debate, and what Premier Lougheed said as early as this morning is going on across the street. It is the same type of unilateralism as with VIA Rail.

I fear this government is attempting to wrap itself in the cloak of motherhood in regard to Bill C-48—Canadianization—and hoodwink the Canadian people into believing its actions are in the national interest, that a back-in clause such as Clause 23 is a normality. It is not; it is Jesse James without a gun, Mr. Speaker.

We do not build a healthy petroleum industry by punishing those who risk venture capital and are entitled to a fair return on their investment. A government should be a leader, not a "backer-inner". Many of the free enterprise small Canadian oil companies are going to feel the whiplash of this legislation, particularly Clause 23.

Our problem in this country, in my view, is not with foreign ownership or foreign control; our problem is not just with the flight of capital in the form of dividends, interest and earnings; our problem is not that the west is getting rich at the expense of the east. Our problem remains the same as it was in 1973. We are running out of conventional oil. We are running out of crude oil extracted by conventional methods, mainly in Alberta which accounts for about 85 per cent of Canadian production.

As we run out of oil what steps are we taking to develop alternate sources? What steps do we take to advance technology and venture capital so desperately needed to develop our tar sands? As we run out of oil what positive measures does the government envision to alleviate the crunch which will surely come because we are still dependent on OPEC or foreign oil?

The government looks to Canada lands, it looks to Bill C-48 and Canadianization, and it looks to the Beaufort Sea. All these things are very worth while, but in my view we are putting too much emphasis in that direction. Can we bring them all on stream in time?

Bill C-48 proposes to regulate the oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. It also directs itself to Canadianization, and Motion 23 relates to that backing-in formula I just mentioned.

Canadianization is a very desirable thing. I gainsay there is not one of the 282 of us who sit in this House who is not for Canadianization. But what has been happening with this government is not Canadianization, as I view it. It is not supportive of the free enterprise system as we know it. This government has been consistently sliding down that slippery road to socialization and this bill embodies that slide; as a matter of fact, it smacks totally of the first chorus of the full melody of nationalization.

Since I have been in this House I have had the opportunity to understand what has been happening to this great country of ours—a slow and steady creep to the left; more and more unilateral government control. This has come about by increased use of closure to muzzle free speech, the use of the Official Languages Act for crass political purposes, the increased use of orders in council to control public inquiry, such as in respect of VIA Rail, and unilateral ministerial decision such as the proposed dumping of radioactive soil on a military base.

An hon. Member: Who wrote your speech?

Mr. Stewart: I did, and I wrote it better than you could.

Canadianization to me does not mean the ownership of the oil industry by the state. I would just like to quote from *The Globe and Mail* of Monday, March 16, 1981. It states:

> The business has steadily become statist, no matter how distasteful that may be to the private enterprisers—

Those are good Canadian private enterprisers.

> —who work the oil patch. Public rather than private objectives have become fundamental to the corporate actors.

The article goes on to state:

> Last October's National Energy Program shows how far the federal government is willing to go in its policies. No significant area of industry activity is left untouched . . . federal involvement in the industry is rapidly becoming institutionalized and more bureaucratic as the Department of Energy, Mines and Resources expands its empire to implement objectives set by the NEP.

I might add, they are socialist objectives. Finally this article states:

> Questions can be raised about how the industry will be changed in the longer run. The most serious question concerns the fate of the entrepreneur with a small company, limited capital and unlimited optimism. Big government likes to work with big business; federal bureaucrats are more likely to be happy dealing with the giants that know their way through the system than with small fry who do not have a road map through the corridors of power.

Ownership by the people of Canada is the important thing here, and there is a great difference between that and state control. That is why we on this side champion the cause of the issuing of shares of Petro-Canada to every Canadian so Petro-Canada is owned by individuals, not by the state.

If there are any companies in Canada that are abusing the industry, then control them by taxation or incentive, not by nationalization. If the government wants to Canadianize the petroleum industry, it can easily accomplish this goal through use of the carrot and not the stick. It can easily accomplish it through the tax system by making it more attractive for Canadians to purchase stock in drilling and exploration ventures, by a layer approach to taxes on capital gains, earnings and profits.

Bill C-48 is supposed to give us oil self-sufficiency, but will it? Of course not. Hundreds of drilling rigs, according to statistics, have left Canada. Millions of dollars worth of foreign investment has been cancelled, and a lot of Canadian dollars are going abroad. The tar sands projects have been postponed. Does this smack of energy self-sufficiency? To me it smacks of idiocy.

Instead, the government's answer was to purchase Petrofina. It purchased a string of service stations and paid double what the firm was worth, $120 a share instead of an acknowledged $60. These figures are not just according to me; they are according to the president of Petrofina who was flabbergasted that the government of the day paid twice the company's worth.

Will this deal give us more barrels of oil, more discovery? Not on your life, Mr. Speaker. We gave Petrofina $1.5 billion, and that is capital fleeing this country at a time when we can

least afford it. As one of my colleagues said, the Minister of Finance (Mr. MacEachen) is now the patron saint of Belgium as a result of the Petrofina deal. All of this was done so that the present government could have a propaganda program going for it with service stations sitting on every street corner in Canada with "Petro-Canada" painted on them in Liberal colours to bamboozle the Canadian public.

What is next, steel, the banks or the supermarkets? Perhaps we will have "SteelCan" or "GroceryCan" or "BankCan". This is the slippery road to socialization, the rotten road to nationalization.

We in North America represent one of the last bastions, if not the last bastion, of the free enterprise system. There are few countries left in the industrialized world that have not taken that turn to the left. France has now gone the way of those who would let someone else do it for you, and that is the socialist system.

Let us turn to Clause 28 of this bill which regulates oil and gas interests in Canada lands. It states:

No Crown share is reserved out of a former lease under which oil or gas was first produced other than for test purposes, on or before December 31, 1980, or in respect of any interest that succeeds any such former lease.

My colleague, the hon. member for Etobicoke Centre (Mr. Wilson) has proposed under Motion No. 23 that we strike out lines 13 to 17 in Clause 28 and insert the words:

"former lease under which significant or commercial discoveries of oil or gas were made on or before October 28, 1980 or in respect of any interest that succeeds that former lease".

This would prevent the Crown from backing in in any case where a discovery was made before the announcement of the National Energy Program. The way it reads now, the Crown does have that back-in privilege. We would like to see the clause struck out. Why should the government back in? Anyone who really believes in our free enterprise system does not want to see that system perverted, especially at the cost of Canadian oil companies. No one wants to see the government make rules to suit itself. Many of my colleagues have said it is a form of theft, and I agree. It is confiscation. When you take something from someone who, by dint of their own exertions, put it forth, it is theft, whether it be by government or anyone else.

● (1610)

What this legislation boils down to is that we on this side of the House believe that the free enterprise Canadian can better develop resources than the government bureaucracy. We believe that the private sector would never condone a back-in clause such as Clause 28, which is a cowardly theft system thwarting pre-dated free enterprise.

Does government ownership in some magical way make us more Canadian or better Canadians? I say it does directly the opposite. It robs us of initiative and delineates us as socialists. That is what Bill C-48 does to us.

I would now like to quote the following:

The state will use its political supremacy to wrest, by degrees, all capital, to centralize all instruments of production in the hands of the state. Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of production—

In most advanced countries, the following will be pretty generally applicable—

1. Abolition of property in land and application of all rents of land to public purposes.

Is not Bill C-48 the beginning of this?

2. Confiscation of the property of all emigrants and rebels.

Is Bill C-48 the beginning of this? There is no mention of property rights in the charter of rights in the proposed Constitution.

3. A heavy progressive or graduated income tax.

We have that now and I am wondering how much more we will have a week from Thursday night.

4. Abolition of all right of inheritance.

We have seen that in the United Kingdom and our taxation policy is headed in that direction.

5. Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.

Every Thursday we have the start of that.

6. Centralization of communications and transport in the hands of the state.

You just have to think of the CBC, the CDC with its control of Global television, of the rail cuts and the Kent report. That will be the next task of the *Pravda* of Canada!

7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of waste lands, and the improvement of soil in accordance with a common plan.

If you look at the clauses in this bill, Mr. Speaker, you will see that this is in the bill also, where it says:

Currently the minister has complete discretion to determine the appropriate level of Canadian labour and material content. An amendment will introduce a detailed schedule which will require the greatest level possible of Canadian and native labour content and a specific Canadian procurement program of goods and services for each development. This approach is preferable to establishing a rigid quota of Canadian content.

To continue with my reading:

8. Equal obligation of all to work. Establishment of industrial armies, especially for agriculture.

9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by more equable distribution of population.

These are the sort of things we are arguing about now concerning the charter of rights in the proposed Constitution.

That preamble and those nine points, Mr. Speaker, did not come from the other side of the House, as you might have thought was the case. They sound exactly like what we are talking about in Bill C-48, but I will tell you where they did come from. It is the communist manifesto of Marx and Engels.

I was mailed a book written by Mr. John A. Masters, President of the Canadian Hunter Exploration Limited. I have not had the pleasure of meeting him but I hope to in the near future. Mr. Masters wrote a book called "The Hunters" and it is a personification of free enterprise in Canada, in my view. This is what he said:

When all the rhetoric is cleared away, and the great policies forgotten, whether or not we find enough energy in this country to maintain our democratic freedoms will depend on the people we have looking for it. Their brains, expertise, and dedication will be equal to the job—or we will fail.

I wanted to show the quality of people who are actually involved in this job, and to make the point that no country has the combination of resources and trained manpower that Canada has. Neither has any country a more encouraging economic environment to bring forth the effort and creativity of its people.

Canada's oil industry, made up largely of Canadians whether they work for small companies or multinationals, and its great energy resources are a priceless national asset. Together, they give Canada a particular strength denied to virtually every other nation of the western world.

It is the imperative duty of our governmental system to use these great resources and these priceless people to preserve the freedoms of this country. Where we are obviously in danger is in the lack of will among our political leaders to do the simple, sensible and sometimes unpopular things that are necessary for energy self-sufficiency. These are:

1. Recognize that energy self-sufficiency for Canada alone is pointless. Canada's economy is so intimately tied to the U.S. that depression there means disaster here. We must share our energy supplies to survive.

2. Understand that the U.S. and Canada are together threatened as never before. The decade of the 1980s will likely see Russia attempt to strangle the U.S. by manipulating events so that it is denied crucial oil supplies from the Middle East. This will surely happen unless alternate supplies are available. We are, in a very real sense, at war.

3. Examine each new energy regulation or law to see if it actually encourages the production of oil and gas. This is accomplished primarily by drilling wells but also by building plants, pipelines, and other facilities. Much regulation actually impedes development.

4. Allow oil and gas prices to rise to world levels to make supply and demand conform to reality. Demand will decline as oil costs more. Supplies will increase as lower grade sources become economic. Low energy cost is the single, most important cause of shortages.

5. Approve exports of surplus gas to provide the revenues necessary for the companies to maintain a continuous 25 year gas reserve supply for Canada.

6. Permit sufficient revenues to flow back to the companies, rather than to governments, so they can find new fields. Governments do not find energy supplies.

7. Preserve the sacred competition of ideas, probably the single most important element in finding oil and gas, by encouraging a diversity of companies.

Bury forever the concept of a single national company controlling the entire oil business. This would be certain disaster. I say this not as a political ideologist, but as one with some experience in the mysterious art of finding energy.

I think that speaks for itself, Mr. Speaker, as well as for us on this side of the House. We are free enterprisers, not statists. We do not like the philosophy of the Prime Minister (Mr. Trudeau) and all of his writing along those lines. As I said before, God help us if we slip down that slippery slope to socialism.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am pleased to join in this debate to speak in favour of Motion No. 23, which is an amendment to Clause 28 of the Canada Oil and Gas Act. As we know, Clause 28 of the Canada Oil and Gas Act gives the Crown in right of Canada the right to back in by way of a 25 per cent carried interest on oil on Canada lands that has not yet been produced.

I think we need to understand just what that means. Prior to the formation of Petro-Canada, our state-owned oil company, some 700 companies in this country of which the majority are owned by Canadians were out in the field taking leases from provincial governments and the federal government for regions off the west coast, east coast and in the north, but mostly in the western plain. They would take up a lease and pay a lease fee to the provincial or federal government which would give them exclusive rights to these lands. They would then go in and do some seismic, then do some drilling to see if there was well oil or gas there. On many occasions they found oil or gas, but because we did not need it at that moment, the well was capped and is sitting there. All the work had been done and all of the risk had been taken but production had not started. That is the way it is at the moment.

What Clause 28 does is to give to PetroCan, as our state oil company, the right to take 25 per cent of that oil or gas without ever having contributed to the search for it, doing the seismic and high technology analysis and then drilling the well.

• (1620)

What our motion in the name of the hon. member for Etobicoke Centre (Mr. Wilson) says is that we should let bygones be bygones. If a company has found oil, then that company should get that oil and, of course, pay royalties to the federal government—in short, the people of Canada—if the oil happens to be on Canada lands. If it happens to be in the western basin in the province of Alberta, it would pay a royalty to the provincial government. The company would have gross income, expenses and taxable income, and it would pay income tax to the federal government and to the provincial government. As a matter of principle and on a practical basis, we do not believe we as a government or as a people should be taking material which has already been produced.

One of the rationale often used by the cabinet for this back-in provision is that the government had permitted tax depreciation and depletion to the oil industry and that, in a sense, therefore, paid for part of this, and 25 per cent is reasonable. We have all deducted our personal income tax deductions and we have all received tax credits if we have owned MURBs or apartment buildings. Other companies have. Farmers get to depreciate their machinery.

Mr. Waddell: Ninety-three cents on every dollar?

Mr. Thacker: The hon. member for Vancouver-Kingsway (Mr. Waddell) thinks it is a matter of amount. I would like to discuss the principle of it. If a government can come in because it has permitted somebody to have a deduction, then surely it would want to come in and take over all farms since farmers for years have not paid income tax because of their depreciation on machinery. It is that principle to which we should address our minds. I do not believe as a matter of principle that because a government has given a deduction, it should come along later and take something over, using the deduction as an excuse. If a government wants to take something over, then why does it not pay for it? Why do we not set up a third party arbitration process, analyse the fair value and pay for it? Even Third World countries—the very worst of them, if that is a proper phrase—do not come in and expropriate. Petro-Canada, our own state oil company, operates in the Norwegian sea. I do not think we would be happy if Norway

were to expropriate Petro-Canada's efforts there. We operate in the Far East. We are going to be in Tanzania. Those countries do not come in and take our projects away, so I really do not believe in my own mind as a matter of principle that it is fair for us to do it.

Nor am I convinced as a matter of theory that Petro-Canada can operate as an oil company and be as successful as the other individually owned companies in which the management has to report to the shareholders each year and the shareholders can stand up and make that management accountable to them. I think that is a very great incentive for the management to produce results, and I honestly believe that we will not find that in a Crown corporation. We have hundreds of Crown corporations in this country, and we do not find in them the same level of creativity, ambition and energy to get out into the fringe areas that we see in individually owned companies.

That is not to say that individuals are not good people, because in the Post Office the people are all good people individually. The same is the case with the National Harbours Board and so forth. However, the system wherein a Crown corporation has to be accountable to politicians, a cabinet, means that the test does not become efficiency in the industry. The test becomes political as to whether or not it has an adverse effect on elected politicians. It does not matter whether the cabinet is Liberal, PC or NDP; the test is whether there is efficiency. The market economy which developed in the late 1700s and 1800s developed for a very good reason, and the reason is: how do you cull people off the bottom? That goes on even in socialist countries.

The great advantage of the market economy is that if someone comes up with a new idea and can turn out a product better and more creatively than other companies, people take it on; or if it is bought out, that technology which has been developed is taken on. The inefficient drop off the bottom, and that is a continuous rollover process which works very well. The minute there is state intervention, the test for dropping off no longer becomes economic efficiency; it becomes political accountability of a minister and, if I were a minister, I would not want the company to fail either.

Mr. Waddell: Tell that to Bill Davis and Sir John A. Macdonald.

Mr. Thacker: Absolutely.

Mr. Waddell: You would have kicked Sir John out of your party.

Mr. Thacker: I presume the hon. member for Vancouver-Kingsway would want everything to be operated by government enterprise.

Mr. Waddell: I have never said that.

Mr. Thacker: So he does want some mix, then.

Mr. Waddell: I am a Sir John A. Macdonald type.

Mr. Thacker: The hon. member for Vancouver-Kingsway says he is a Sir John A. Macdonald type. That is very interesting; he should certainly be sitting over here.

Mr. Fennell: He is more like the Marxist type to me.

Mr. Rae: After the couple of speeches we have heard this afternoon, you must be joking.

Mr. Thacker: The only thing I am implying is that the New Democratic Party wants to take over the other companies. Members of the NDP do not really want to have a mixed economy. They want to take over Esso and Shell. They do not want to have a real competitor for the Crown agency. I can see why. It is because the Crown agency always comes up second best. The example of CNR and CPR is classic. This Parliament has had to write off hundreds of millions of dollars every few years in order to keep CNR in the black. We do not write things off for the CPR.

Mr. Rae: Like hell. You wrote off the last hundred years to the CPR.

Mr. Thacker: The CPR has not received any benefits from this Parliament other than the usual income tax deductions, which are exactly the same ones—

Mr. Rae: They bought the whole country for five cents in 1880.

Mr. Thacker: The government does not tell Petro-Canada it must operate as an oil company and make or break on its own. That is not what happens. We threw $1.5 billion into Petro-Canada, and it was not making it as an oil company so we gave it preference in choosing leases in western Canada over other Canadian and non-Canadian companies. That was not quite enough, so we then gave Petro-Canada the right to back in provided it purchased its 25 per cent interest. Even with that the corporation was not doing well, so we now have the flowering of the policy, which is an absolute confiscatory 25 per cent back-in, or theft. We are going to make that company work if it takes every acre of land and if we have to destroy every other company.

Mr. Waddell: You guys are bum boys for Exxon, Mobil and the United States.

Mr. Thacker: The government must not be seen to fail. If the hon. member for Vancouver-Kingsway was in the government, that would be true—

Mr. Deputy Speaker: Order, please. The hon. member for Lethbridge-Foothills has the floor.

Mr. Taylor: You are getting to them, Blaine.

Mr. Stewart: Keep it up, Blaine.

Mr. Cullen: You just made *Hansard*.

Mr. Thacker: Let us look at what might have happened in the oil industry over the last five years. I ask hon. members to

consider this. We know that all the retail service stations owned by ownership companies, individual shares, have gone through an enormous change, from being full service service stations to self-serve service stations. That process has been painful for many individuals who were service station lessees, but the change was made. If those retail service stations were all owned by a Crown corporation, how could that change take place? If they happened to be unionized, it would be impossible under the terms of agreements. If they were not unionized and had associations, they would be able to put incredible political pressure on the government of the day. Whichever government it might be, it would be impossible for that change to occur, and we would therefore still have in place tens of thousands of full service service stations operating inefficiently. Because they would go back to the government, the government would just increase the rates by way of a regulatory mechanism, and the individual at the end of the chain would still have to pay.

• (1630)

There is a practical objection that relates to Petro-Canada, however well-meaning the individuals may be. Based on my experience of viewing Crown corporations, the Post Office and departments, however good the individuals are, I just do not believe they have the creativity. The oil industry is one area that needs creative people.

In this land we have hundreds of thousands of square miles of land which has to be swept over by very sophisticated seismic equipment. We need to apply high technology to analysing the data. Money has to be put in to drill a well which very often comes up dry.

I do not believe that Petro-Canada can meet that technology. It is with great regret that I must say that Petro-Canada did about $1.1 million of research and development last year. That is a drop in the bucket. It means absolutely nothing in the oil industry. If it were not for the multinational corporations, many of which have shareholders in Canada and operate around the world, we would not be even close to self-sufficiency.

Mr. Waddell: Your pals.

Mr. Thacker: I have nothing against the multinational corporations. They are a natural evolution, just as is the United Nations, and must evolve into bigger spheres that are necessary for us to operate on this globe as an interconnected network. I see international taxation in a form we can all agree with, one which does not affect sovereignty, coming in the long run. We need the multinational corporations. They permit a collection of skilled, creative people who can cope with these huge projects that are now running into multibillions of dollars rather than just a few hundred million.

Petro-Canada bought three existing companies, all of which were searching for and finding oil and all of which were paying income tax. We need to ask whether PetroCan has paid any income tax. It has not. It has deferred all its income taxes. The consumers, the taxpayers of Canada, have had to put up with deficits, all of which were financed at 19.35 per cent in order for this company to take others over at a cost of $1.5 billion.

Let us look for a minute at how important ownership is. Leases are not granted unless a provincial or federal government puts up the land. There is no drilling unless drilling licences are given. The rate of production is determined by the provincial conservation boards. The federal government sets the price and decides whether there is any export. It is the most highly regulated industry that we have.

Under those circumstances ownership becomes more like a banker's operation with a rate of return. We are now in the process of purchasing back foreign-owned companies. In the past, the outflow of money from Canada had been by way of dividends, averaging 2 to 3 per cent per year. Now that we have bought them out, we hold debt dollars and the interest on those debt dollars is 19.35 per cent. That is an incredible disservice to the Canadian public.

What are the multinational corporations doing with the money we give to buy them back? They are putting it into solar research, hydrogen research and the new wave technology. When we get to the end of the oil industry, which will come within the next 15 to 20 years—and it will be gone in a conventional sense—we will have to turn to the multinationals and buy new wave technology from them. We will be in exactly the same boat we are in now.

Far better than buying out the oil industry which is now at its tail end, why not create corporations and give tax incentives to Canadians to get into the new wave technology so that when it strikes we will be ready? People will come to us for the new wave technology rather than our having to buy it in the future.

When we get down to the bottom line, we need to ask some hard questions about Petro-Canada. Has it added any new oil? It has not. Any wells that have produced new oil have always been in partnership with the multinational corporations. Has it added new technology? It only spent about $1 million in research last year, and I do not see any increase in that figure.

Has it paid a return to Canadians on the $1.5 billion put into it? It has not given us one cent of return. It is one of these great emotional, nationalistic ideas that are hard to control. Perhaps it would be beneficial if it were for new wave technology. However, to get carried away with nationalism and buying back an industry that we totally control, one which was only costing us 2 to 3 per cent by way of dividends compared to 19.35 per cent to buy them back, is not doing a service to Canadian citizens. On many occasions I have sat down with people at kitchen tables to explain the background. They think it is absolutely absurd. They would rather see Parliament and the Government of Canada putting its money into the new wave.

I appreciate having had the opportunity to say a few words on this motion.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I want to see a new energy regime finalized at the earliest opportunity. New legislation in this area has been a long time coming. I hope that in the very near future we will have legislation that

will provide stability and working rules that are known to everybody, rules that are not changed at the whim of a minister or without appropriate consideration.

I want to say first that I was involved as a minister of a government for over half a dozen years in changing drastically the energy regime in Alberta. No one has to tell me about retroactive legislation. We changed every lease in Alberta retroactively and changed the royalty structure from a maximum 16⅔ per cent to a much higher royalty. Indeed, we changed legislation to effectively change the transfer of ownership of oil and gas.

In the early seventies massive amounts of gas were found on the Suffield reserve in Alberta. It was suggested that the federal government owned those resources, but it was soon proven false, as was the case with the gunnery reserve at Cold Lake. They were Alberta resources.

We had to handle those resources in the best way that we knew how as a Progressive Conservative government in Alberta, and we did. We had an excellent model from the Social Credit government. The Nova Corporation, an Alberta corporation, was set up and given a monopoly to collect oil and gas in Alberta. It was set up as a private enterprise company. The only government involvement was that the government would annually select four members of the board of directors of that company so that provincial government input of policy could always be injected into that corporation which received the monopoly in Alberta for the collection of oil and gas. It has become a very successful model. The Nova Corporation is one of the most dynamic and growing corporations in Canada today, Canadianizing a lot of the oil and gas industry.

We also had to deal with the resources in Suffield and on the gunnery range at Cold Lake. We formed and developed a new concept, the Alberta Energy Company. The Alberta Energy Company was given all the leases and all the resources in the Suffield reserve and also in the Cold Lake gunnery reserve. Therefore, it works in partnership with the private sector to develop these resources.

• (1640)

The Alberta Energy Company also is a model. It is owned 50 per cent by the Alberta government and 50 per cent owned by the people of Alberta. The one thing we do is attempt to keep the government out of management and administration of the company in terms of its dealings with the private sector. In Canada, as in Finland and all over the world, there are all sorts of public and private corporations in this vital area of providing energy for society. I do not believe that the federal government has a monopoly in structuring a regime on Canada lands. In fact, I am sure they have copied many of the regimes of other jurisdictions.

After consideration of Bill C-48 in committee for some six to eight months, the minister eventually came in with a substantive statement indicating a substantial number of changes to the initial legislation brought about by the pleading of some of the oil companies and by pleading in committee. Some of them were rather specific and dramatic. I hope someone will read some of the statements made by the minister in committee before the bill returned to the House. For example, the minister could move in to take over as operator of any company where there was any amount of interest by the federal government in that company. This was changed to provide that the federal government could only take over operation when it had 25 per cent.

In the area of the future Crown share of 25 per cent on all future leases, there were few changes made or no changes made at all. In the back-in 25 per cent share there were essentially some cosmetic changes made.

One of the things I suggested strongly to the minister in committee is that there was a need for a change in the 25 per cent maximum figure. On the Crown ownership share, both the back-in one and the forward one, there was no minimum figure of 5 per cent, 10 per cent or 15 per cent; there was simply a maximum or minimum figure of 25 per cent. Some hon. members realize the extent and complexity of not only Canada lands but also of the industry in Canada. Some of it is largely foreign owned. The multinationals are foreign owned.

I do not disagree with the program of Canadianization. Indeed, it is timely and necessary. But the manner in which it is done is very important. If one backs in or takes a future share of 25 per cent of a small corporation, then what one does with that block of shares totally controls the company, particularly if ownership is widely dispersed or oftentimes if it is narrowly held. You cannot buck the government's 25 per cent with a small corporation. I have worked for some multinational companies and they can. The multinationals can adjust from day to day, from month to month and from year to year. The multinationals can contend with a 25 per cent ownership by the federal government. However, the little corporations that we have in Canada who are always growing and coming up by the entrepreneurial spirit of Canadians simply cannot adjust. They must toe the government line in every respect and at every turn. They cannot fight the government's 25 per cent share.

The 25 per cent share will be voted upon by a civil servant possibly receiving periodic directions from a government. I have also been there. When you have thousands of leases and you are dealing with hundreds of companies, I suggest to hon. members that civil servants make decisions on their own. They apply the letter of regulation and the letter of the law.

If I were to agree with the 25 per cent share on a forward basis with all leases associated with multinational corporations and very large Canadian corporations, I would hope that in the development of the Canadian oil and gas industry on Canada lands there would be a profusion of small companies, that the entrepreneurial spirit of Canadians would blossom like it never has before to provide energy self-sufficiency for this nation in the future, and perhaps in a decade.

In situations such as that, why should the federal government have a 25 per cent share of a small corporation that is drilling in the Mackenzie or in the Beaufort Sea or on the east coast? That is why I am disturbed about this piece of legislation. It is not the 25 per cent share as applied to the multina-

tional corporations or as applied to the very large Canadian corporations that disturbs me, but the application of the 25 per cent either back-in share or forward share in the small Canadian companies or small entrepreneurial companies that will develop and that have developed in this nation.

It was for that reason that I suggested to the minister in committee that he look at the 25 per cent figure. If the minister will ever need more flexibility in this whole bill, it will be on that particular point. The minister or the government needs flexibility on that point. Then if it wanted to back in with a particular company with respect to only 10 per cent, it could. In fact, one might even question whether a 25 per cent forward partnership with some of the multinationals is sufficient. I believe I was told in committee that in Norway the crown reserved an 80 per cent ownership share of all exploration leases.

I believe this legislation is wrong. The minister must accept some leeway in terms of government judgment in the area of the 25 per cent provision. It should have a range or it should have some consideration in the regulations whereby it can vary that 25 per cent so that it would not hamstring all our Canadian private entrepreneurs by virtually forcing a civil servant to sit on the board of directors representing 25 per cent of the company and dictating terms to that company.

That is the critical part of the clause in terms of the Crown's share. It is that the government and the minister have created a fixed and ironclad clause. It says 25 per cent or nothing at all, that it shall always be 25 per cent. Why? Of course the government can vary that percentage. I hope that in certain parts of Canada the development of oil and gas by little companies, for example, in the Northwest Territories and in the Yukon, will not be so expensive that only the multinationals can get into the process. I hope the government will provide the incentives for new Canadian companies to get involved in the oil and gas industry in the Northwest Territories and Yukon, and just the other side of the border in British Columbia and north of the province of Alberta.

● (1650)

This is what I rose to speak about today. I am not suggesting that the minister's flexibility should be limited, but if ever there was an area where the government should have some flexibility it is in this particular clause.

Why should it back in on 25 per cent in all cases? If there is 100 per cent Canadian ownership, should it even want to back in at all? It could get its money from royalties, as was done in Alberta. This is why I indicated earlier that the Progressive Conservative government in Alberta scrapped every lease by legislation, changed every lease, and upped the royalties from 16 and two thirds per cent to as high as 50 per cent. There is no question that the federal government could get all the money it wishes through royalty and taxation structures. It does not need money from Canadian companies through the ownership route. The only reason it would get into the ownership route with Canadian companies would be to control the operations and, indeed, the very corporate structure which was set up under Canadian laws to develop oil and gas on Canada lands. This is why I believe the minister should seriously consider a change in the clause respecting the Crown ownership share as well as the Crown back-in share. By the time the minister finalizes this bill, I hope he will have given serious consideration to the idea of some variation in the ownership clause, so that it is not fixed and set in concrete that it shall be 25 per cent, no more and no less. Indeed the minister should have some flexibility. In some cases he should take a zero ownership share, in some cases a 5 per cent ownership share, in some cases a 25 per cent share, and even higher with some of the multinational corporations which have been in our nation for some time and have major stakes in the oil and gas industry.

In conclusion, I should like to say something about multinational corporations. It is so nice and easy to come in after the fact and say, "Somebody owns too much of my industry in my country and, therefore, I want to Canadianize it." I remember working in the Leduc oilfields in 1947 and in 1948 when Atlantic No. 3 spouted and finally caught fire. Who were in the oilfields then? Canadian companies, the Canadian government and the Alberta government—my foot! It was foreign multinationals which brought in capital, technology and manpower to develop the industry. For many years they took out not a penny. They continued to develop the resource until we became self-sufficient in oil and gas in the late 1960s and early 1970s.

What happened then? Governments started to get involved because they wanted more money and a piece of the action. They wanted to get involved in ownership, in influence and control of the corporate structure of the oil and gas industry. What happened in the decade of the 1970s is that self-sufficiency in oil went down the drain. We started to act as a deterrent. We constantly held back development in the oil and gas industry.

When I started my remarks I said that I wanted to see a regime in place now so that the industry could make the nation self-sufficient in oil and gas. We have enormous reserves of hydrocarbons in the nation. There is not a nation in the world which does not look upon Canada with envy in relationship to our energy resources. There are a billion barrels of oil in our oil sands and heavy oil reserves in the west. Earlier I said that something like 70 or 80 billion equivalent barrels of oil are in our offshore; this is now proven by geologists. We have enormous capability yet we are not self-sufficient in oil. We import 350,000 to 400,000 barrels of oil per day, and this will rise. This is a tragedy. This is impossible to accept by any measuring stick in terms of the development of technology during the last century. The record in Canada is shameful. I have no difficulty with the creation of a public-private system. If they want to do it, then let us create a public-private system. But for goodness sake, let us put in place and stabilize rules in such a way that we can become self-sufficient in the shortest possible time.

The House must pass an energy bill fairly soon, but I hope the minister will seriously consider a few more changes to the

bill to make it acceptable. Particularly I hope he will give serious consideration to not locking the government or Parliament into a 25 per cent take in both forward and retroactive legislation. I hope the government gives itself some leeway in terms of the ownership share claimed when in fact a find is made. If the government wants money, it can always change the royalty structure, which is not very excessive in the bill. It can always change its taxation system. There is no need to become a 25 per cent government owner of a Canadian company, particularly a small Canadian company.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Before recognizing the hon. member for Western Arctic (Mr. Nickerson), I should like to deal with the late show for this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince Edward-Hastings (Mr. Ellis)—Air Safety—Request for tabling of reports on emergency locator transmitters; the hon. member for Carleton-Charlotte (Mr. McCain)—VIA Rail—Cuts in service in New Brunswick; the hon. member for Hillsborough (Mr. McMillan)—Regional Development—Elimination of Prince Edward Island public service positions, (b) Administration of federally funded programs.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interest in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 23 (Mr. Wilson).

Mr. Dave Nickerson (Western Arctic): Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nickerson: I do not really know what the applause is for, because I will make a rather brief speech.

Some hon. Members: That is why!

Mr. Nickerson: I will not wave my arms around as I have done on occasion in the past. I will speak briefly to the fundamentals of Motion No. 23 which is before us. Then I would like to say a little about what I consider to be a rather frightening matter—the way Petro-Canada could influence and affect government in those areas of northern Canada within which it will be exploiting resources.

I should like to keep to the exact motion before us. I listened with a great deal of interest to the hon. member for Vancouver-Kingsway (Mr. Waddell) when he spoke on this matter the other day. He certainly did not draw himself back from going on at considerable length and waving his arms. But he pretended that he could not see the difference between this motion and the clause in the bill proposed by the Liberal government. The hon. member for Vancouver-Kingsway is one of the few members of the New Democratic Party who is, at least, semi-literate. He can read for himself and find out exactly where the difference lies. In the case of the proposal put forward by the government, it would exempt from the 25 per cent Crown share only those prior leases upon which production has been established, whereas our motion would expand that provision to include those prior leases upon which significant discoveries had been made.

● (1700)

We must remember that in both circumstances we are dealing with a limited number of properties. If we were only to include those properties on which production had commenced, the only one that immediately springs to mind, with the exception of Kotaneelee, which I will get back to later, are the Norman Wells oil field and the Pointed Mountain gas field.

As we all know, the government already has a 30 per cent share in the Norman Wells oil field so it is not necessary to take an additional 25 per cent. That particular clause is redundant as it affects the Norman Wells field.

If we were to list the number of significant discoveries, we would find that the list is fairly limited. Those cases where it might be difficult to determine whether a significant discovery had been made could be dealt with in the normal course of dialogue between the companies and the people in the employ of the Government of Canada. It is not a matter of dealing with several hundred separate properties but, rather, only one or two.

The real reason we proposed this amendment is that, the way the bill stands now, people will be cheated. They have invested time, effort and money in the search for oil and gas in northern Canada and offshore Canada under a certain set of rules and regulations. They thought they could abide by the word of the government. We could get into an argument about whether the terms under which leases were granted were overgenerous, but I think that is largely beside the point now. Those were the rules as determined by the Government of

Canada several years ago when it was necessary to give a good deal of encouragement to people to go into remote areas. If they found a barrel of oil, all they got for it was $1.75! People responded to the challenge put to them by the government and went in at considerable risk to themselves. In a few instances they were successful and I do not think they should be penalized for that.

I was pleased to hear what the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) said with respect to the Kotaneelee gas field. I understand from him that amendments already put forward by the government have included the Kotaneelee gas field in the list of properties which would be exempt from the 25 per cent back-in. I am glad that happened because if the things I have said apply to any company, they certainly apply to Columbia Gas which developed that field. It is unfortunate that it is not producing today but, like many other fields in western Canada, it has been shut in. The market does not exist for gas from those particular wells.

When debating Motion No. 21 we said that we accept the idea of a Crown share but only in those cases where it is necessary. If there is a large percentage of Canadian ownership in a particular property already, then it is not necessary for the Crown to grab more.

It would appear that we will not be successful in persuading the government to see the error of its ways and the wisdom of ours, but I think for the sake of fairness, good faith and the future that when people take the government at its word they ought to be assured that the rules will not be changed retroactively. Taking all those things into consideration, I do not see any reason why this amendment should not be acceptable to Parliament.

Now I come to the question of the way in which Petro-Canada, the federal Crown oil company, will operate in the north. I want to examine the part it will play in the government structure.

First of all, if we accept the idea of a Crown share, then there are different ways it can be vested in certain organizations. If the Crown share were to be sold by public tender to Canadian oil companies, that would be one way of dealing with it; if it were to be disposed of in some way to local corporations formed within the Yukon and the Northwest Territories, perhaps under preferential terms, that would also be acceptable to most people. For instance, if it were to be vested in corporations established as a result of land claims settlements, that might be acceptable. If all that interest in all those properties were to be vested in Petro-Canada—and this is obviously the intention of the government—that would bode nothing but ill.

Petro-Canada, which is the chosen instrument of government policy, is, to my way of thinking, entirely suspect. It is important in the eyes of the Liberal government; because the government created it, it has a motherly attachment to it and in order to justify its policies it has, one way or other, to make sure that Petro-Canada, if it does not succeed, at least does not fall by the wayside.

I always question how the government can be both a regulator and an operator at the same time. Surely the government has a legitimate function in laying down the rules and regulations under which oil and gas companies shall operate in federal Crown lands, but when the government, through an instrument such as Petro-Canada, also becomes the operator, then it is very difficult for a distinction to be kept between the regulatory role of government and the exploitative role of government through its holdings in Petro-Canada or like Crown corporations.

So far, Mr. Speaker, all I have said has also been said by many other speakers. Now I come to the rather frightening part and that is the case when, because of the importance of one commercial operation which receives the backing of the Crown and is seen to be very important to the executive as a result of policies it has laid down, the company operates in a particular region and has the possibility of becoming, in effect, the government of that region.

To cite an example, we need only look at the old Hudson's Bay Company which received its royal charter, according to its advertisements, on May 2, 1670. For many years it was not only a commercial operation in Rupertsland in Canada, but also undertook the public government of what is now part of Canada.

I think it is very difficult to have a fair system where one organization is both concerned with commercial exploitation and with providing public government. We can take other examples where similar things have occurred, such as the Dutch East Indian Company in Indonesia which for a long time was virtually the government of the Dutch East Indies. Then there was the British East India Company which for many years governed the British dominions in India. It is generally accepted that government by a commercial organization was not good and was not beneficial to the people so governed. In fact, it is always cited as the worst possible type of colonial exploitation.

• (1710)

In Rupertsland, as time progressed, we no longer had the Hudson's Bay Company as governors. We have gone through a variety of systems to get to the one we have there now. We have what you might describe as an embryonic provincial government there, a government which, if it is allowed to proceed along the road it is going, will become the same as any other provincial government in Canada. It will be a government responsible to the people it governs.

With Petro-Canada there, and with all eyes being upon it, in effect public policy could be made to suit Petro-Canada and not necessarily the people who live there. If the chief executive officer of Petro-Canada comes down and talks to the Minister of Energy, Mines and Resources (Mr. Lalonde) and says, "We need a little change in regulations here", that change will be made, and whatever the few Canadian citizens in the area have to say through their instruments of government, or through the Members of Parliament they send to Ottawa, might very well be set aside and that which Petro-Canada

wants will be put into effect. As bad as the present Minister of Indian Affairs and Northern Development (Mr. Munro) might be, I would have a greater degree of confidence in him than I would in government by the chief executive officer of Petro-Canada.

These are some of the reasons northerners are very suspicious of Petro-Canada and treat it as something rather different from other oil companies. We do not have the same problems with Esso, Gulf, BP and all these other companies because they are subject to rule and regulation as laid down by government. People generally believe that when an issue is at stake they will carefully examine the different points of view and those things which are required both by the oil and gas companies, on the one hand, and the general population of the territories on the other. When it comes to Petro-Canada we strongly suspect we will not have a fair hearing.

We can cite as an example of this suspicion of Petro-Canada, the way in which it does operate and might operate in the future, what happened at Fort Good Hope just last summer where Petro-Canada virtually got run out of town.

As an example of how governments might bend the rules to suit one of its Crown agencies, I like to look at the Peace River dam in British Columbia. This is a provincial matter, not a federal one. I understand there were pretty tough rules and regulations laid down by the government of British Columbia concerning the way in which the timber had to be removed and utilized in areas which were to be flooded. The construction of the Peace River dam was behind schedule. It was to flood quite an area and this area had not been logged out. My understanding of what happened there is that B.C. Hydro was told to proceed with flooding that area without the completion of the logging operations. As a result you can go there today and see this half-drowned, decaying timber which should have been cleared. Presumably the people in charge of forest regulations were told not to do anything or say anything about this, just to let things go ahead because that was the provincial priority. I can see the same thing happening in the territories with Petro-Canada, where things will be done because of national priority, with the rules and regulations allowed to slide, not enforced, and the people who live there could suffer considerably.

I have some difficulty and fears also in trying to determine where the Minister of Energy, Mines and Resources is going to fit into the picture. Progressively over the last few years the Parliament of Canada, the House of Commons and the Senate, have been giving more and more power to the Minister of Energy, Mines and Resources. I do not wish to refer to the incumbent in that office at the present time. If you look at what happened in this respect with a particular Minister of Industry, Trade and Commerce some 30 years ago, in the 1950s, the late C. D. Howe, you will see that although Mr. Howe was undoubtedly in many respects a great Canadian, with more and more power going to his department and to him as an individual, this was seen by Canadians as a whole as not to be desirable.

I think the same thing is happening with the Minister of Energy, Mines and Resources. He may be a great Canadian, but I do not think it is incumbent upon us to hand over any more power to any one individual, however competent he may or may not be.

I am at the stage of conclusion now, Mr. Speaker.

An hon. Member: You had longer than you thought.

Mr. Nickerson: Yes, I have a little bit longer than I originally anticipated, but it is a good speech, you have to admit.

Some hon. Members: Hear, hear!

Mr. Nickerson: If we look at what I have cited as the worst example of colonial exploitation, the British East India Company operating in the eighteenth century, and at people like Warren Hastings who just went a bit too far even for that particular period and ended up being impeached by another Parliament, you will understand why I am concerned that our Canadian Minister of Energy, Mines and Resources might in future become the Warren Hastings of the north. I suggest that is something we have very carefully to consider. We have to make sure in our legislation that the present incumbent in that position, or any future Minister of Energy, Mines and Resources, does not become the Warren Hastings of the north.

Thank you kindly for all your attention.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this debate has been fairly extensive, but how could you expect anything else? This bill produced about 150 government amendments at the committee stage. I have been looking through the reprinted form; and I think the even much bigger Bank Act bill, with which I had a very intimate connection over the past year, saw fewer amendments. This would indicate that perhaps the committee members were tough and the government had to bring in amendments. On the other hand, it may mean that it was such a sloppily prepared bill that the government quickly had to try to repair whatever holes it found. I think, like my colleague, the hon. member for Calgary Centre (Mr. Andre), that this is such a thoroughly bad bill—and we have seen many—that, quite frankly the drafters of it should go right back to the drawing board and start out from square one.

In addition to that, we are faced with some 50-odd private amendments. That too bespeaks a very contentious bill. Clause 28 is a very innocuous looking little clause, but it means ultimately, what I would put as a simile, that the Government of Canada is taking the Canada lands, that is the Northwest Territories and the Yukon and whatever offshore interests it can claim ultimately, and is wiring it up and piping it up as a dairy barn. There it proposes to take the petroleum resources of that vast area, by far the largest part of Canada, and through the pipes effectively take the production of three teats of the cow.

• (1720)

That is what this government has discovered, as did its predecessors; they think up programs and then look for money to support them. They have found themselves with a financial cupboard which is bare. The government is $16 billion in the red. Inflation is into double digits and is continuing to rise. This is not because of high interest rates; interest rates are but a reflection of inflation.

What was the inspiration for the National Energy Program, for the raid on Alberta's resources and, for that matter, on all three western provinces? It is just a straight out-and-out power grab by a money-short, spendthrift, bankrupt government here in Ottawa, simply because it has discovered that petroleum is another money producer for it.

What will be the result of the particular clause we are discussing which embodies the whole spirit of the bill? Here is one resource belonging to the people of Canada in the provinces and the territories. In passing, may I say God help the territories should they ever become provinces, because there will be nothing left for them. Alberta and Saskatchewan obtained absolute ownership of their natural resources in the 1930s, something which had been withheld from them since 1905.

We know that politically provincehood is coming for a good part of the territories, for the Yukon and certainly for the western Arctic. What will be the fate of their people? They, like all the other provinces, will have entitlement to their resources but they will be handed a sucked-out lemon.

I have heard hon. members on the other side of the House say that even if the Yukon and part of the territories were to become provinces, the Liberals would never give those new provinces their resources. The government wants to hang on to them to provide revenue for its spendthrift ways. It is not the north that will take all the money. Under Bill C-48 the north and offshore are destined to become the milch cow of the federal government. There certainly will be no benefit for the people. It is all intended to feed the insatiable appetite of an incompetent, money-spending, crazy government.

We talk about $60 million of estimates. And that is after netting; in fact, spending is much greater. So are the revenues much greater than what appear on the books. To that extent the people of this country and members of this Parliament on both sides of the House are hoodwinked. We will be hoodwinked until we can get better estimates and more information presented to this House.

In addition to the interest which the government may have as owner and from what it has managed to reserve unto itself by any Crown reserves or lease, Clause 27 gives the Crown another 25 per cent. That is outright confiscation and we have seen it before. We have seen it in the renegotiation by legislation of leases in Alberta where the Crown interest in oil and gas was bumped up by legislation. That has the same effect. They were into producing leases, and it was a means of giving the province of Alberta a greater share of the revenue. The Government of Canada was moving in with both hands and feet—and a few tank cars thrown in for good measure—to get as much as it could. But who was paying for all this? The people of Canada were paying for it. That is, of course, with the exception of the oil which was shipped to the United States on which the Government of Canada imposed an export tax.

An hon. Member: Shame!

Mr. Lambert: In the case of Alberta, Mr. Speaker, we saw the government moving in on a resource and confiscating the greater part of it. It is true that one was an owner and the other was not—it was just a contingent of an overriding tax.

As my colleague for Western Arctic (Mr. Nickerson) pointed out, this clause indicates there is a deep and clear distinction between what is a producer and what is a discovery. There are no producers other than the Imperial Oil wells in the western Arctic and a small gas field in the western Arctic. There is nothing else. The Beaufort Sea, Hibernia and Sable Island—all these are discovery lands, and they have been discovered as the result of activities of private individuals who have invested hundreds of millions of dollars. One only has to go to Tuktoyaktuk and out into the Beaufort Sea to see what the oil companies have invested there. I have not had the opportunity to see what there is off the coast of Newfoundland, but in that case the Government of Canada says: "That is fine; you have discovered oil and you have discovered gas. We will take 25 per cent right off the top." That is with respect to lands on which there have been discoveries, not production, because that element in production is so small it can be ignored. The only thing I hope for is that somehow or other the Imperial Oil lands on the Mackenzie really show a great deal of production. That would be ironic because by the terms of Clause 27 all those lands would be excluded from this grab. But surely to goodness those people who have participated in the development of the Beaufort Sea, the Arctic high islands off the coast of Newfoundland and Labrador and, to the extent that the federal government may be able to prove some interest in offshore lands of Nova Scotia or British Columbia, a further 25 per cent will be confiscated because those lands are not yet in production. So, I fully support the amendment put forward by my colleague, the hon. member for Etobicoke Centre (Mr. Wilson).

• (1730)

This bill establishes one thing, and the government must recognize the importance of what it is trying to do through this bill. The Government of Canada is taking unto itself that which belongs to the people of Canada, and that includes the people of those provinces who are not producers, and it takes far more from the potential of the western section of the Northwest Territories, namely, the western Arctic. Perhaps I should not write off the eastern Arctic. With advancing technologies and more searching it could be that oil and gas in marketable quantities will be discovered in the eastern Arctic. However, let us deal with Yukon and the western Arctic at the present time. One must not sell that region short. I went to Yellowknife in 1940. The difference between the Yellowknife of 1940 and the Yellowknife of today is remarkable. Add

another 40 years of development in the western Arctic, and that region will be much further advanced than were Saskatchewan and Alberta at the time they achieved provincehood. As a matter of fact, I do not suppose the western Arctic has many fewer people than Alberta did in 1904 when the Government of Canada consented to the formation of the provinces of Alberta and Saskatchewan. If I remember correctly, my native city of Edmonton had a population in 1904 of between 2,000 and 3,000—including stray dogs!

Mr. Hnatyshyn: There was a Liberal party even then.

Mr. Lambert: Yes, and it finagled the election in 1905. Be that as it may, it is not the lack of people that should hold back the western Arctic and the Yukon. I was in the western Arctic last summer, I was in Yellowknife and Tuktoyaktuk, and I could see that the people there want to have control of their affairs. We know what the administration is doing in the Yukon. The Yukon is not far from achieving provincehood. I say not far; it could be ten years, but during the course of history a ten-year period is relatively short. I would love still to be part of this operation here on the day we can say that the Yukon and the western Arctic shall be given provincial status. However, if we let Clause 27 and Clause 28 operate freely, the Government of Canada will try to pump that region dry so that it cannot turn over any inheritance. Those resources have been held in trust. They are undeveloped. They are held in trust by the Government of Canada until there shall be sufficient peoples to develop them for the people who will come to establish a province. The Government of Canada is behaving like a pair of rascal equity lawyers—or chancery lawyers; I have to be careful here—who are out to despoil the estate before it is turned over to the heirs. That has happened many a time it is said. It is the greatest shame that any assets should be left in any estate to turn over to the heirs!

The same philosophy applies in this Canada lands bill: it would be a shame to turn over any of the lands of the Territories and offshore to the provinces if there are any resources left in them.

Mr. Peter Elzinga (Pembina): Mr. Speaker, in dealing with Motion No. 23 as it pertains to Clause 28, and as I did in the previous discussion on the prior motion, I would like to discuss some of the different philosophical concepts which are being presented in the House.

With the passage of Bill C-48, the proposed Canada Oil and Gas Act, in a few weeks the Minister of Energy, Mines and Resources (Mr. Lalonde) will acquire the largest mandate any federal minister has had since C. D. Howe wielded the powers of the War Measures Act and the Munitions and Supply Act during the last war. You do not create an empire without intending to stay around to rule it. What an empire is going to be built with this legislation! With a few minor exceptions, the energy department becomes the dominant government agency in all the Canada lands. From Ottawa, the department will set the pace of development, control the investment climate, regulate the environmental regime and determine the penalties and compensation for environmental damage.

● (1740)

It is quite a brew of conflicting interests, development versus the environment and native peoples, which is why it has all been handed over to the energy mandarins. It is easier to stifle conflict coming from one department rather than three or four. Already the Department of Energy, Mines and Resources has co-opted environmental researchers from Environment Canada and Fisheries and Oceans.

These people will no doubt continue their research and make recommendations, but it is unlikely they will be taken seriously in their new offices. The whole thrust of the National Energy Program is to get that oil and gas to market as soon as possible.

This is why Bill C-48 stipulates that exploration permits will last only five years rather than the traditional 20 years. If a company does not move with its development, the government will find someone who will.

This is also why the government is allowing 93 cents of every dollar invested by Canadian companies to be written off. The large companies, the only ones which can afford exploration activities, will go along with the strict ownership regime, not only because they are being underwritten by the taxpayer, but also because they know the government's zeal for the National Energy Program will sustain then until they are making profits.

The government's commitment to such rapid development of the Canada lands may not even leave time for superficial environmental impact studies. The last ten years could have been used to conduct the necessary basic research on the Arctic environment. Standards might have been in place and policy options available to deal with resource development. Instead, the time was frittered away, and now the government is going in blind.

Compensation for spills will be determined by the Department of Energy, Mines and Resources, but because so little is known about the incremental effects of spills, there is no way of measuring the damage. The government will learn about Arctic oil pollution from experience rather than research, and the wildlife and the Inuit will have to shift for themselves.

The economic motives behind this desperate rush are understandable, but they are not justifiable. The Canada lands belong to the federal government. Therefore, the jurisdiction and revenues do not have to be shared with the provinces. If the returns match the investments and the estimates run into hundreds of billions of dollars, then the federal government's fiscal problems will be solved.

The investments will also have spin-off effects in terms of jobs in the south, new technologies and, through exports, an improved balance of payments. In political terms, a resurgent economy and a healthy treasury would put Ottawa back on top of the federal-provincial heap.

Perhaps all these possibilities explain the silence of the three ministers who ought to be concerned with the downside effects of Bill C-48. The Minister of Fisheries and Oceans (Mr. LeBlanc) recommended over 100 changes, mostly environmen-

tal, to Bill C-48. None has been accepted, and the minister has not even participated in this debate. The Minister of the Environment (Mr. Roberts) has quietly watched the emasculation of his department. Maybe he will show some concern for the Arctic environment after it is damaged. The Minister of Indian Affairs and Northern Development (Mr. Munro) seems more interested in buying off the natives than in representing their interests in cabinet.

There is another major concern with Bill C-48. If Hibernia and the Beaufort Sea prove to be "elephant" fields, then the development of the Canada lands will surely snowball. Not only will that wreak havoc in the Arctic, it will also perpetuate our addiction to fossil fuels. While the rest of the world is conserving and developing more energy-efficient sources, Canada could be left behind. As an example, the excellent task force report on alternative energy is doing nothing but gathering dust, even though a lot of excellent work went into the development of it.

Apart from such foreseeable problems, the most worrisome aspect of Bill C-48 is the further concentration of unchecked, unaccountable bureaucratic power. Far too often we have seen in this chamber what power does as it relates to the Canadian people.

We have a number of other motions pertaining to the authority of the minister as it applies to this legislation to which we hope the House will give serious consideration. I look forward to participating directly when those motions are before the House.

Mr. Bill Wright (Calgary North): Mr. Speaker, I rise today to talk about Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. In particular, I will refer to Clause 28 which allows the government to back in on oil companies on Canada lands.

As the provision stands under this bill, the government will be able to confiscate or take over 25 per cent of the interest of the oil companies. Basically it says the government will be able to take over 25 per cent interest on all discoveries prior to December 31, 1981. The amendment presented by the Conservatives suggest that no Crown share is reserved out of a former lease in which significant or commercial discoveries of oil or gas were made on or before October 28, 1980, or in respect of any interest that succeeds from that former lease.

It is obvious that in the north only two areas are protected by the government under this amendment, the Norman Wells area and the Pointed Mountain area. All other discoveries in the north will now be confiscated to the extent of 25 per cent. The government believes that this is justified under the incentive plans it has given to these companies over the years. However, if it is obvious it can do it with the oil and gas industry, it can also do it to other industries. The mining industry is looking at this very carefully. Will companies, whether Canadian or foreign, put money into the mining industry in the future if this type of confiscation can take place?

By taking a 25 per cent interest in all discoveries, the government is simply saying that it does not want to become involved in the exploration. All it wants is a 25 per cent interest in the discoveries. It only wants the successful wells. How many wells will the oil companies have to drill in order to find a successful one? The present ratio may be one in three or one in five. But the government is not interested in that. It is only interested in successful wells. It is prepared to confiscate 25 per cent under a carried interest, which means basically that the oil companies will carry the government for 25 per cent up until the time they have a discovery and are asking for a development permit. At that time, the government is prepared to go into a working interest and pay them two and a half times their portion of the exploration costs. As I mentioned a minute ago, Mr. Speaker, if the success ratio is one in three or one in five and the average cost of a well on Canada lands is $50 million each, what will be the ultimate end to this? Obviously, these companies cannot afford this meagre type of compensation. In addition to that, Mr. Speaker, and it may come as a surprise to many people, the government does not have to consider its working interest. It may take up the carrying interest or its portion of the development of the 25 per cent and sell it. It does not have to consider its interest. Not only that, Mr. Speaker, the government can do nothing. After all this time, it could decide it does not want to get involved in it if it cannot sell it. Moreover, if it sells it, it goes to public auction and someone could buy it for $1. That is some type of a partner for the oil industry, Mr. Speaker.

• (1750)

Let me briefly refer to the Canada lands. I shall first refer to the Arctic. The government says that they want to maintain Canadian content on Canadian lands. Let us look at that Canadian content right now.

In the Arctic, basically, we have the Arctic Island exploration group. It is 58 per cent Canadian owned. The second one, Panarctic Oils Ltd., is basically Canadian. It is controlled by the Canadian government. The third group, Dome Petroleum Limited and partners, is basically Canadian. Certainly they have foreign partners and the partners have brought in needed capital, but there is no capital going back home and no oil going out yet. The government says that they want to maintain or increase the Canadian content.

Let us look at the Labrador coast, Mr. Speaker. Is that foreign controlled? Is the development done by foreigners? No, it is done by Canadians. Unfortunately, in this case it is Petro-Canada. Let us look at the Davis Strait area. The lead partner in that area is also Petro-Canada. The lead partner in Hibernia is Mobil Oil Canada Ltd., a foreign-owned oil company which has been in Canada for many years. Ninety-nine per cent of the people who worked for Mobil Oil Canada Ltd. are not Americans but Canadians. Yet the government is threatening their jobs in this bill. Let us look at Sable Island. Once again Mobil Oil Canada Ltd. is the lead partner, but Petro-Canada has a 30 per cent interest in the company.

Of the five basic areas, foreign oil companies control only two areas. For the government to suggest they want to increase the Canadian content and to have more Canadian companies in the north is, I suggest, strictly a sham and a falsehood.

The reason the government brought forth this bill was to create self-sufficiency, so to speak. Where have we heard that before? In 1974 the present Prime Minister (Mr. Trudeau) stood in the House and said, "We will have self-sufficiency by 1980". Where is it? Do we have more oil production? Of course not. We do not have self-sufficiency. Everyone knows that but the Prime Minister who is busy jetting around the world.

An hon. Member: Come on.

Mr. Wright: An hon. member disputes that. Perhaps he would like to rise and say that the Prime Minister is not doing that.

Canada at present consumes 1.8 million barrels of oil per day. We produce 1.4 million barrels of oil per day. At the present time we import 400,000 barrels of oil per day.

The government says we must have self-sufficiency by 1990. What does the National Energy Board say? The National Energy Board says that we will consume approximately 1.8 million barrels of oil a day by 1990.

Why will this not change? It will not change because of oil substitution and conservation. These are two big "ifs" in not consuming more oil.

Assuming the National Energy Board is correct, it says that we are consuming 1.8 million barrels of oil per day and will be producing approximately 700,000 barrels of oil a day by 1990, unless a major discovery occurs before that time. I will point out in a few minutes why no such discovery is forthcoming, nor can there be. If we are consuming 1.8 million barrels of oil a day and we are producing 700,000 barrels of oil a day, obviously we are importing 1.1 million barrels of oil per day.

In eight years we will increase our production by 1.1 million barrels of oil a day, and in 34 years to date we will have produced in Canada 1.7 million barrels of oil a day. Yet in eight years we will produce, in addition to what we now have, 1.1 million barrels of oil a day.

An economist with the Royal Bank of Canada recently said that Canadians will need $300 billion by 1990 to finance energy. This represents 20 per cent of all financing in Canada. If we need that amount of money, Mr. Speaker, obviously we will have to rely on our friends and neighbours and on many investors from foreign countries who may want to invest in Canada because of conditions that exist in their own countries. However, we are not doing anything to encourage them. In fact, we are discouraging them from coming to Canada. Instead of bringing their money to Canada, they are taking it out.

Over $8 billion net left this country last year. What benefit did we derive from that? The Minister of Energy, Mines and Resources (Mr. Lalonde) said, "Yes, we're going to buy the oil companies but we'll get a direct benefit". The direct benefit is $45 million in the dividends we get in one year.

Mr. Speaker, may I call it six o'clock.

The Acting Speaker (Mr. Blaker): It being six o'clock, pursuant to Standing Order 2(1) I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Wright: Mr. Speaker, when we adjourned for dinner I was discussing the atrocious situation which the government created a year ago. I stated something to the effect that approximately $8 billion had left Canada because of the national energy policy.

Mr. Nielsen: It was $10 billion.

Mr. Wright: Actually the amount is a lot higher than $8 billion. It is closer to $17 billion. However, there has been an inflow of funds created by the high interest rates in Canada. This is the only reason there has not been more of a net outflow. It is unbelievable what Canadians received for the $8 billion or, as one of my colleagues just said, the $10 billion. What have they received? As I mentioned, they received approximately $42 million in the dividends from the shares of the companies they took over. It is a great benefit to Canada, but at the same time we lost $1.6 billion in interest which had to be paid to foreigners to finance the takeovers, and not one barrel of oil was found. This was all in the name of Canadianization but it was really nationalization.

As I stated before, we need 1.1 billion barrels of oil by 1990 to be self-sufficient. This means that we must find approximately 140,000 barrels per day each year until 1990. This works out to approximately 12 wells producing 10,000 barrels per day. A discovery of that amount would be no mean feat in Canada. Over the next eight years we must find, on the average, one discovery per month which yields at least 10,000 barrels per day. I do not know whether anyone can name one discovery in the last year from which we can get 10,000 barrels per day out of the ground or out of the ocean. I am not aware of any discovery into which we can pipe to obtain 10,000 barrels per day.

If we are to be self-sufficient, how will we get all this oil? We could look at conventional oil means on the lands in the provinces. At the present time we know that that production is declining at the rate of 100,000 barrels per day for each year. It has been doing this for a number of years, and it will continue to do so. Also we know that there have been significant finds in the Arctic. By "finds" they mean discoveries which may be commercial. How long will it take to get that oil out? We know that it took up to ten years in the North Sea

and that we do not have a commercial find in the Arctic at the present time.

Let me turn to the east coast. We have seen discoveries there, but we do not have a commercial oil field; there is no such thing. The government tells us that there is good potential for oil off the east coast. I should like to give an illustration of the problem. If the people in the Press Gallery represented the ocean floor and this august body were beneath the ocean floor and an iceberg went through 300 feet above, there would be nothing left of this area because the iceberg would scour 20 to 50 feet below the ocean floor. We do not have the technology to retrieve oil from there, but the government is saying that it can do it. Hopefully some day we will but it will not be by 1990.

• (2010)

In 1947 Canadians controlled our oil industry; by 1970, 90 per cent of it was foreign owned and by 1979, 70 per cent was foreign owned. In effect, the people who came here to discover the oil, because we asked them to, are now being told to go home. Not only are they being told to go home but in many cases they are having to sell out at fire-sale prices. The government is telling them when to sell and what they can sell for. That is an atrocious approach. It was brought about, basically, because a socialist government is running this country, not a Liberal government as it calls itself. We must put that label on the government once and for all; it is a socialist government which is not interested in free enterprise or private industry. The Prime Minister has said that at one time or other in the future every business will have to come to the government for assistance. That would be a terrible situation. I do not think that we as parliamentarians can allow some of our basic rights to be uprooted.

Some hon. Members: Hear, hear!

Hon. Erik Nielsen (Yukon): Mr. Speaker, this it the first time that I have had the opportunity to participate in the debate on this legislation. I have heard many members on this side of the House describe the serious effects that passage of this bill will have on the future development of the Yukon and the Northwest Territories and upon the lives of those who make their permanent homes there. I have heard concern expressed with respect to the rights of our native people in northern Canada, an area which comprises 40 per cent of the country's territory. There are only three members from above the 60th parallel in this House, two of whom sit in this party, and one, the first Inuit to be elected to this chamber, who sits with the NDP.

In the north we have the conviction—and we always try to get the message across when we speak in debates such as this—that we, north of 60, do not matter very much as Canadians. We only occupy three seats in the House. I often wonder what would happen to legislation such as the bill now before us if all the members from the province of Quebec came from the northern areas of Canada. I do not think this bill would stand much of a chance of surviving if that were the case. Indeed, to coin a northern phrase, I do not think the bill would stand a snowball's chance above 60 of surviving.

Before I get too far into my remarks, Mr. Speaker, I should like to put on record a copy of a letter which I received from the chamber of commerce in the Yukon which was addressed to the Minister of Indian Affairs and Northern Development (Mr. Munro) who is supposed to be the protector of the rights of northern Canadians. The letter is dated October 23, 1981.

Before reading the letter, I might mention that the native organizations of both northern territories, the mining organizations of both northern territories, the business organizations including the chambers of commerce of both northern territories, all appeared before the committee that examined the provisions of this bill and, without a single exception, no northerner had a kind word to say about it.

Because of its concern, on October 23 the chamber of commerce in Yukon wrote one last appeal to its so-called protector, the Minister of Indian Affairs and Northern Development, which reads as follows:

Dear Mr. Munro:

Whitehorse Chamber of Commerce would like to reiterate its opposition to Bill C-48 in its present form.

The Chamber is concerned that the bill could have very negative effects on the economies of the Yukon and the Northwest Territories and that it may very well hamper the growth of many northern businesses.

Furthermore, Bill C-48 has no provision for local control over development. Whitehorse Chamber of Commerce urges you to amend the legislation to give Yukoners involvement in decisions that affect the territory.

Whitehorse Chamber of Commerce once again requests that the legislation be amended to provide northerners with resource revenues produced in the north.

They can kiss that idea goodbye forever. The letter goes on:

The Chamber of Commerce strongly urges you to amend Bill C-48 before final approval of the legislation is granted.

Yours very truly,

President
Whitehorse Chamber of Commerce

That kind of submission has been made repeatedly, Mr. Speaker. A copy of the letter also went to the Minister of Energy, Mines and Resources (Mr. Lalonde).

I express these concerns as the member representing the Yukon, an area which covers 207,000 square miles of Canada of which the federal government has deigned to give some 368 square miles for disposition into private hands. So the government has frozen almost 200,000 square miles of land. You cannot buy a lot, you cannot buy an acreage for farming, you cannot buy a square inch of land as a Yukoner. This country was built on the idea of acquiring, owning and developing land by private individuals.

Some hon. Members: Hear, hear!

Mr. Nielsen: To coin another northern phrase, this bill will forever put that concept in the deep freeze. There are even more dangers of national concern with respect to this legislation, Mr. Speaker. The bill is to be viewed in the context of a segment, and only a segment, of the government's National

Energy Program. The government has not yet seen fit to disclose the total ramifications of that program. Since much of its import remains shrouded in the bowels of the Langevin Building on Wellington Street, members are at a decided disadvantage when assessing and discussing the total impact of the legislation.

I have been here long enough, Mr. Speaker, to sense danger in what I see in this bill. The hon. member who just spoke mentioned icebergs. We do not know whether we are seeing the tip of the iceberg in this bill or the iceberg itself—or perhaps even an ice age in energy development in Canada. Certainly when we consider the flight of capital and business skills and acumen and equipment from this country as a result of measures of this nature, we know that we might as well be approaching an ice age in energy development.

This is a massive piece of legislation which contemplates nothing less than direct government intervention in oil and gas exploration, not merely in a regulatory sense but as a major player with a large pile of chips to be bought and paid for by the other players.

If that were all the bill did, it would be suspect on that ground alone but that is only one aspect of a program which remains to be disclosed in its entirety. When one considers that and senses the danger in that, it becomes more than merely disturbing.

● (2020)

Taking the bill as it now stands, as has been said on this side on more than one occasion, it represents in our Canadian history an unprecedented intervention in the area of free enterprise by the federal government. It is not going to stop there and that is obvious. If this bill is the thin edge of the wedge, one fears, not simply wonders, what the whole wedge will be like. Knowing this government's proclivities, led by the man it is led by, toward ever-increasing state control, ever-penetrating state intervention, ever-augmented meddling and tinkering, its grandiose schemes, illusory programs, gung-ho tilting at self-manufactured and constituted windmills, one can only view this massive takeover legislation with not simply a measure of uneasiness but with downright fear.

It is so viewed by those in the petroleum industry. There is ample evidence of that despite the repeated, consistent efforts of the Minister of Energy, Mines and Resources before the summer recess to pooh-pooh those facts disclosed to him by those of us on this side. It is so viewed by the people of the north, and you will have to accept my word for that. We regard this intervention as one being accomplished by a government shod in hobnailed boots which are trampling over all our future aspirations to become a meaningful part of this country. It is so viewed by Canada's native peoples, the northern Indian people and the Inuit. The Inuit Tapirisat made representations before the committee to that effect. They regard it as a sloughing off; nay, an outright betrayal of native rights, and in that they have the support of 100 per cent of those Canadians who live above the 60th parallel.

Figures released a week or ten days ago show the extent of this government's involvement in gas and oil at present. There is no doubt in my mind whatsoever, and there should not be in any other mind, that with this control bill, and that is what it is, to back them, the present involvement, considerable as it is, will pyramid in the usual grandiose way of all of this government's undertakings.

One only has to reflect on that pyramidal syndrome when one considers the deficit when they took office in 1968 and the deficit today. This kind of legislation has much to do with that, and I will get to that if I have time at my disposal.

Through Petro-Canada and the Canada Development Corporation this government now has holdings in Panarctic Oils of 45 per cent, Westcoast Transmission of 25.2 per cent, Syncrude of 17 per cent, Alsands Energy of 16 per cent, the Arctic Pilot Project of 37.5 per cent, Petrofina of 100 per cent, Canstar Oilsands of 50 per cent, and it is involved in the Polar Gas Project. They try to set us at ease over here, but they are not just in bed with but married without the benefit of clergy to those to my left who at least, Sir, are honest about their political philosophies, and that is more than I can say for that honourable tribe over there.

Some hon. Members: Oh, oh!

Mr. Nielsen: Let us look at the Canada Development Corporation for a moment. It has holdings in CDC Oil and Gas and the Aquitaine Company of Canada Ltd., and this is in addition to that long list I have already disclosed. This activity, already considerable, will multiply—will burgeon—when this bill becomes law because the government automatically becomes owner of 25 per cent of all new fields. My colleagues to the left over here want that to be 50 per cent. This has been described as confiscatory by the Canadian oil industry, and that is putting it mildly. I like to describe those who support this legislation for what they really are—carpetbaggers. In what other area of national enterprise, I ask hon. members opposite, does the federal government take on itself to award itself 25 per cent ownership without compensating those who are licensed to develop and explore it?

It adds up to this: You boys, they say over there, do the work, take the chances, take the risks, spend the money, and we are going to grab the profit. The bill itself recognizes the injustice of this by providing incentives specifically in compensation for the 25 per cent grab. That provision, however, does not remove the heavy hand of government control from the exploration helm, and this obviously is the real purpose of the measure, to revert to the state an element of direct control and intervention in the day to day operations of this industry.

The worrying thing is that the measure of state control inherent here would do credit to a government in the iron curtain countries. And that may not be all; taken in conjunction with the other elements of the so-called National Energy Program, the whole of which remains to be exposed, the result may be disquieting indeed to believers in the free enterprise system itself and to those of us who place a value on individual initiative and entrepreneurship. In fact, as I have already

pointed out, and many on this side have, the result will be the exact opposite of the government's declared intention. Rather than stimulating exploration and the development of these resources with which this industry is concerned, the catch-all legislation now being considered before us, this catch-all measure of state control, will dampen and deaden the industry by destroying initiative and by hampering free enterprise.

It does not stop there. This one small segment of the over-all scheme of the government will bring into being—and we have become very accustomed to this happening with everything this government has been doing in the last 12 years—hordes of additional public functionaries whose job will be to apply the vast incunabulum of regulations which will harass and beset those whose task it is to bring this nation into a state of energy self-sufficiency in the future. Believe me, no one in Canada more than we who live in the north is more familiar with that process. This vast apparatus of government intervention in a highly skilled uncertain area of national development will have the effect of slowing down the stride toward self-sufficiency which was actually begun during the very short time we were in office a little over a year ago.

● (2030)

The difference was that elaborating our policy, we worked with those in the field whose knowledge of operation was not based on theoretical economic considerations or government programming criteria but on hard knowledge of resource development.

I ask the rhetorical question, what consultation did they have with the industry before placing this measure before us? I can tell you there was not one scintilla of consultation or any advice sought from those in the industry and from those in the population generally above the 60th parallel. Its idea of consultation is to make the decision, inform those affected and ask, "Well, what do you think of this?" If these people say they do not like it, that it is not quite right, that is too bad. This is the way it is going to be. That is the government's idea of consultation. That is yet another reason why this measure must be viewed with suspicion as the opening wedge leading to total federal government control over the energy industry in this country.

Already this government's interference in the oil industry, as many members on this side have pointed out, has led to a disastrous flight of capital from the country in the first nine months of 1981. Month by month, week by week, almost daily the Minister of Energy, Mines and Resources was being bombarded with these statistics. He was brushing them aside. But in the first nine months of 1981, the removal of capital from Canada has reached, not $8 billion but $10 billion as a result of measures such as this. This massive outflow, much of it attributed to fear and uncertainty on the part of the oil industry, has threatened the Canadian dollar and has resulted in the postponement of important energy projects, indeed, from what we are told by members representing those areas, the abandonment of one or more of them such as the Cold Lake heavy oil project. These projects are indispensable to Canada's future energy plans. They are being deliberately sabotaged by measures such as this.

A second and equally important effect has been to put off all hope of energy self-sufficiency in the foreseeable future. That is massively evident to anyone who does not even know anything about the oil industry, despite the continued assurances of the Minister of Energy, Mines and Resources and others over there. As a matter of fact, because of the ill-timed and blundering interference of the government, there is indeed no foreseeable future.

I believe I have another 15 minutes, Mr. Speaker, but I see you are gesturing toward your watch. I still have time, do I not?

The Acting Speaker (Mr. Blaker): I regret to interrupt the hon. member but the time accorded to members for debate is 20 minutes. I am sure the House would want to grant unanimous consent to the hon. member if he wanted to take a minute to wrap up his remarks.

Some hon. Members: Agreed.

Mr. Nielsen: I thank hon. members for their indulgence. I wanted to continue by saying that the ministers, as I have observed them throughout the discussion of their energy policy, talked glibly, even musically—and I love listening to the minister of energy when he speaks of the National Energy Program—about Canadianization. That is a crock of rhubarb, and you know it over there. What it really is—I would like to be free to speak as a Yukoner here but they expect more of me when I am here than to speak as bluntly as I do at home. What it is is nationalization, nationalization of the industry. That is an interesting word, in the bright lexicon of the Liberal Party, the party which calls itself the Liberal Party. I maintain it lost that status, philosophically, in 1968. However, what Canadianization means is state control. That is what this kind of legislation is aimed at. The government identifies Canadian ownership of resources with ownership by the federal government and management by the Liberal Party. That is how their thought process operates. Canadianization means state control through companies deliberately set up to achieve that objective. For example, there is PetroCan which is staffed by, I could say, Liberal Party hacks, but I do not want to arouse any resentment over there. Their major qualification for sitting on the board of directors of Petro-Canada is subservience to the wishes of the Liberal Party. I could name names, but again I do not want to lower the level of this debate.

An hon. Member: You just did.

Mr. Nielsen: This is clearly understood in the United States where the so-called Canadianization policy is seen for exactly what it is, a policy of government control and intervention worthy of a banana republic without the bananas. The evidence of that is to be seen every day now south of the border in the manner in which our actions are being viewed down there. On this basis, an appropriate campaign song, I would suggest, for the Liberal Party in the next election—the sooner the

better—might be, "Yes, we have no bananas, we only have Pierre."

The economic climate in this country, which has declined visibly and dangerously in response to the centralization policies of this government, has proven discouraging to foreign capital and has aroused the anger of other countries, particularly our best trading neighbour. The government's failure to deal with inflation in a rational and sensible manner has perhaps been the most visible cause of the lack of confidence.

The Minister of Finance (Mr. MacEachen) has one plan, one policy, one program; simply to ride out inflation on the backs of low-income Canadians. This kind of legislation has put that sort of policy, or lack thereof, into effect. It is measures such as this, and there are more to come, just as we have had already, that are the reason we have inflation and misery. It is the reason we have usurious interest rates. It is why young Canadians face a dismal future unless, of course, they are invited to share some of the palatial homes of the members of the Liberal cabinet and some of their aides who seem to have no trouble at all in getting mortgages at no interest and repayment terms that I have never seen in my 30 years of legal practice. That is why capital is leaving this country.

The irony, Mr. Speaker, is that much of it is Canadian capital. This legislation deserves utter and complete condemnation. It never should have seen the light of day. As a northerner on behalf of all northerners, I appeal to the government to have second thoughts about imposing this bill upon us. My concerns must be directed to the over-all national disaster that this kind of legislation, if passed, will visit on our future development generally and on one specific industry particularly.

I would like to thank hon. members for their indulgence, even though I did not get through all my notes. I hope to have the pleasure of participating again before the debate on the bill is completed.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I would first like to congratulate my colleague from the Yukon and House leader for his contribution to this debate. It is much appreciated and very wise in terms of the advice and observations offered. I hope some hon. members on the other side were paying attention to what was being said.

● (2040)

As the hon. member for Yukon (Mr. Nielsen) and other members of this party have indicated in their speeches, we are unalterably, totally, unequivocally, absolutely and 100 per cent opposed to confiscation by the Crown of privately owned assets. We consider that to be immoral, improper, unjustifiable and the kind of thing that is worthy only of the basest of tyrannies and dictatorships and of the kinds of banana republics described by the hon. member for the Yukon. There is no precedent for this anywhere in the democratic world, albeit there is only a small handful of democratic nations on this earth. Fewer than 20 per cent of the nations belonging to the United Nations are in fact democratic, but we are supposedly democratic, and there is no example in any democratic country of the kind of confiscation described in Bill C-48 and partially in Clause 28 which we are trying to address in Motion No. 23 currently before the House which seeks to amend Clause 28 of this bill. This bill provides for the immoral stealing of privately owned assets by the Crown. Twenty-five per cent of those lands held by industry or individuals in the so-called Canada lands are to be vested in the Crown, and the Crown may transfer them to Petro-Canada.

If this bill goes through unamended—and I fervently hope that will not be the case—and Petro-Canada is given all the lands called for by this legislation, the 25 per cent of existing Canada lands plus what Petro-Canada already has, the Crown corporation will have exploration lands under its control for exploration for the oil and gas thereunder, hopefully, amounting to some 135 million acres.

Let me put that in perspective. Exxon Corporation, the largest oil company in the world on a global basis around the entire earth, has a total of about 130 million acres. Our Crown corporation, Petro-Canada, will have under its control more acreage than Exxon Corporation, the largest oil company in the world, which is many, many times larger than Petro-Canada. Whether we hate it or like it, we have to admit that Exxon is a pretty successful oil company. If Petro-Canada were to have the same number of geologists, geophysicists and engineers per acre to explore this area properly as Exxon has—that is, if Petro-Canada is to do as effective a job of exploring this land as Exxon does of its global lands—then, in downtown Calgary, for the new headquarters Petro-Canada is building on a square block, a building of 853 storeys would have to be built to accommodate these people. That is what would be required in terms of staff and office space in order to accommodate the number of people necessary to undertake an adequate exploration of the land we are stealing from the private sector to give to Petro-Canada via Bill C-48. I do not hesitate to say that my ten-year-old daughter would say, "Gee, Dad, I don't think that makes a whole lot of sense." There are enough backbenchers opposite whose collective experience and wisdom is at least equal to that of my ten-year-old daughter: I would like to think that, but I hesitate to do so.

The motion we have before us, Motion No. 23, would amend Clause 28. Clause 28 says that the federal government will only steal, or confiscate, 25 per cent of those lands upon which there was no oil or gas production prior to December 31, 1980. Originally the bill said 1976, but it was amended to read 1980. Motion No. 23 in the name of my colleague, the hon. member for Etobicoke Centre (Mr. Wilson), merely amends Clause 28 to say that the state—Big Brother, the Minister of Energy, Mines and Resources (Mr. Lalonde) and Petro-Canada, all those wonderful people who are confiscating those lands—will only take 25 per cent of lands upon which there has been no discovery of oil and gas prior to December 31, 1980.

The difference is very simple. The state insists on confiscating. As I indicated, there is no precedent in the democratic world for that kind of theft, but we are setting precedents with

this government, the Prime Minister (Mr. Trudeau) of which claims he believes in private enterprise, even while stealing private property from the private sector he supposedly admires.

However, if this government insists on stealing, or confiscating that land, we suggest that at least there should be some question of equity. The situation is that, with respect to Canada lands, provincial lands or anywhere else, an oil company, an individual, a group of oil companies, or what have you, wishes to undertake an exploration program in an area because its geologists say that perhaps there is some oil and gas thereunder. If provincial lands are involved, the company bids for the land. If federal lands are involved, various regimes have to be gone through, but whatever the regime, whether it is bidding or approaching the ministry, rights to certain pieces of land are acquired for exploration and drilling for oil and gas. At that point in time the company has not put out a great deal of money. Perhaps it had to bid for the land in the first instance, but probably it has not put out a great deal of money. If the government were then to say, "I am coming in as a 25 per cent partner," we in this party would say the government was making a mistake, but if it were coming in at that stage of the game, at least it would be participating in the future with the company when the high risk activity is undertaken. However, this government is saying, "No, we don't want to get in at that point. We want you to go out and explore first. If you find some oil and gas," which suddenly means that this land is very valuable, "then we are going to be your 25 per cent partner. We will take 25 per cent at that point in time". That is rather like saying, "We want you to go out and buy a lottery ticket and wait for the draw, and if your ticket is drawn, we are your 25 per cent partner". This motion says that if the government is going to be a 25 per cent partner, it should get in there before the draw and take the risks with the company involved. The government should not come in after the jackpot has been won, steal 25 per cent from the company and claim it is doing so for the sake of Canadianization. It is not for the sake of Canadianization; it is for the sake of nationalization; it is for the sake of state control.

● (2050)

As I outlined in a speech in the House the other day, the rest of the world thinks we are thieves. It groups us in with countries like Algeria, Ecuador, the Dominican Republic, and other countries like that, as a country in which the risk of expropriation is very high.

An hon. Member: Oh, no.

Mr. Andre: I hear the hon. member. I will send him the consultant's report from Frost and Sullivan, an international consultant in the business of assessing political risk. It is their judgment, not mine, that Canada is in the banana republic category because we will, as demonstrated by this bill, confiscate private assets.

It is not just foreign multinational assets that are being confiscated. The other day I read into the record a letter from the president of Paramount Resources Limited, a Canadian-owned junior oil company. It described their experience. That company spent a great deal of money in Canada lands. They had some dry holes and money was lost. They found some gas in the Cameron Hills area. As a result of this policy, 25 per cent of their assets have been confiscated. That is a small Canadian company, one of the small businesses this government claims it cares about and is interested in. It claims it is interested in Canadianization. I guess that means the sheep across the way will vote against our motion and vote for the bill which will confiscate 25 per cent of small Canadian business assets in Canada lands. It is confiscating, in fact stealing, the assets of that Canadian, all under the notion of Canadianization.

That Canadian does not understand it. He does not understand how having 25 per cent of his assets stolen by the government contributes to Canadianization. I do not know how any thinking Canadian can understand or accept that kind of behaviour.

I would like to think there are some members opposite who take their responsibility as Members of Parliament seriously, that they are interested in Canadians and concerned about the picture we show to the rest of the world. I would like to think they are concerned about the private sector, individual Canadians like Mr. Riddell of Paramount Resources. I would like to think they are interested in assuring these Canadian entrepreneurs, those taking the risks, that the government does not view them as a threat or as menacing. Rather, these people should be encouraged and protected. The government should want to see these people searching for oil and gas. I hope members opposite will give serious consideration to what they are doing to Mr. Riddell of Paramount Resources, to the reputation of Canada and Canadians as honest people, people who believe in fairness, justice, the value of private property and private initiative.

Rather than examine what the Prime Minister has done, members opposite should look at his speech of last Thursday. At that time the Prime Minister said he believes in the private sector. He thinks the motivating power for growth of this economy will come from there. If they are going to support their Prime Minister, they have to support that and oppose what has been brought forward by the energy minister and his henchman "Red-end Clark" and others. They should stand up, earn their salaries and seats in the House of Commons and not docilely acquiesce to whatever the minister says. They should recognize that by voting against the motion we have put forward and voting for the legislation, they are voting for confiscation. They are voting for theft and a kind of behaviour that has never before been considered by a Parliament of Canada. In fact, it has never before been acted upon by any democratic country in this world.

Frankly, I would have difficulty calling myself a Canadian and what that represents if I supported this kind of legislation calling for confiscation. I do not see how anyone could look in the mirror and say "I am a Canadian, I believe in what this country stands for, I am here as a Member of Parliament, here

to defend, fight for and encourage that kind of behaviour. However, I will vote for this kind of legislation". Anyone who could do that is not worthy of occupying a seat in this House of Commons.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

Pursuant to an order made earlier by Madam Speaker, the House will consider now Motion No. 25 standing in the name of the hon. member for Etobicoke-Lakeshore (Mr. Wilson).

Mr. Harvie Andre (for Mr. Wilson) moved:

Motion No. 25

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 31 by striking out lines 44 and 45 at page 18 and lines 1 to 10 at page 19 and substituting the following therefor:

"31.(1) The Minister of Energy, Mines and Resources, prior to the commencement of the terms of an exploration agreement for relevant Canada lands, may direct that the Crown share be transferred to a designated Crown corporation and, where the Minister so directs, he shall forthwith give notice to the relevant interest holders.

(2) Where the Crown share has been transferred to a designated Crown corporation, the Crown share shall be deemed to have been converted to a working share and the designated Crown corporation shall negotiate the terms of a working agreement with the interest holder.

(3) Where the Crown corporation is unable to settle terms of a working agreement, the matter of a working agreement shall be submitted for arbitration in the manner prescribed or, in the absence of applicable regulations, the matter shall be submitted for arbitration in the manner provided for by order of the minister, and the arbitration shall take into account the economic and financial viability of the working agreement on all parties to such agreement and, subject to section 56, the arbitration decision is final and binding."

He said: Mr. Speaker, Motion No. 25, which you dispensed from reading to the House, seeks to amend Clause 31 of the bill. The purpose, intent and impact of Motion No. 25 is fundamentally to change the Crown share from a carried interest to a working interest. What that means is very simple. As the act currently lays it out, the Minister of Energy, Mines and Resources (Mr. Lalonde) and his co-conspirators can seize 25 per cent of the assets held by private Canadian corporations. That 25 per cent Crown share which the minister can steal can be turned over to Petro-Canada or another Crown corporation. I already talked about the immorality of that theft.

The bill goes on to compound the theft because the Crown now has a 25 per cent share which it has stolen from the private sector. Its share is different from the shares that other people have. Its share is a carried interest. What that means is that the Crown, Petro-Canada or some other Crown corporation, owns 25 per cent of a particular exploration program. It can vote. It has 25 per cent of the votes when you are deciding where to drill the well, whether to run a seismic, what sort of testing to conduct, or whether to develop or put in production platforms, and so on. It is their vote. It is a carrying partner and therefore does not put up a nickel, it does not put up any money. The corporation's cash is not on the line, but it sits there as a full voting partner.

● (2100)

I would ask my hon. friends opposite to think about whether they would go into a business deal in which they decide how the assets of this syndicate, or whatever they are involved in, should be spent. I would ask hon. members if they would appreciate or voluntarily accept a partnership arrangement with full voting privileges and not have one nickel resting on the outcome of the decision. I would ask the hon. members opposite to use common sense and to think about that for a moment. Think about how conducive that is to good decision-making on the part of the consortium. Think about the prospects of having a partner sitting at the table with full voting rights who has no money at stake. Especially in this circumstance, Mr. Speaker—it is hypothetical but not extreme and not unlikely—where there is a piece of land involving some private companies and Petro-Canada, and they have to make a decision as to where to drill the well. Anyone who knows anything about the oil and gas industry at all, Mr. Speaker—and you do not have to be an expert—knows you have to make a decision as to where to drill the well. Your geologists and geophysicists come back to you with their guesstimates—that is all it is, a guesstimate—of what are the geological features, which is the most likely place where oil and gas will be found, and where is the most reasonable spot to drill your first well.

One never knows what is under one well so you know you will drill more than one well. You start off and make various asessments, such as the cost of drilling here versus there, geology here versus there, the likelihood of discovering gas, oil, salt water or what have you. There are many factors that go into the decision-making. Let us assume you are sitting down with your partners trying to make a decision and one of your partners is Petro-Canada, which happens to own or have rights to a piece of property right next door. Mr. Speaker, the executives of Petro-Canada, if they are interested in their

corporation, and I assume they are, will obviously want you to drill that well in an area that is likely to contribute to the information or knowledge about their land next door. That is obviously what they want done. Yet, they will be sitting there as a full partner making a decision, voting on a decision as to how the exploration should be handled on this land.

There is a conflict of interest there that makes the situation hopeless, Mr. Speaker. Any reasonable, fair-minded and intelligent person, any person concerned at all about what happens to Canada lands and the success, or lack of it, of our exploration programs under those lands, has to say, "Gee, that may be not good, and not only not good for the private sector but probably not good for Petro-Canada and certainly not good for Canada".

If Members of Parliament are concerned about the welfare of Canada, and we are supposed to be concerned, then surely we must take a critical look at this and say that maybe, and quite likely, if PetroCan is to sit at the table and make these decisions, it should be there as a full paying partner. It should be there with as much at stake as a corporation, as the other person sitting at the table.

I could mention all of the things that were said to this House by ministers of the Crown in this government about the fact that Petro-Canada would be a corporation like others and would be expected to compete and to act like other oil and gas companies, and expected to be responsible. I could bring to mind all of those solemn commitments made by members opposite to remind them of the things they said and the commitments they made. Perhaps I should. Their short memory in regard to promises and commitments is well known to the House and to this country. I should not have to mention this because they are supposedly intelligent, honest and sincere, honourable members. If they are, Mr. Speaker, then they should recognize that Clause 31 in the bill is improper. They should recognize this if they want to live up to the commitments they made, and they should have PetroCan act in the way they indicated. If they require PetroCan to undertake the obligations this House was told it would undertake, then they should insist that PetroCan, once it has the land, should operate under the same rules as everyone else. They should be working partners at the table with their corporation's cash up front. They are sitting as working partners, contributing cash, so when they contribute to a decision, their cash is there. When they make a decision, they should have as much at risk as do other partners to that decision. That is the only way you will get the proper kind of decision-making, Mr. Speaker.

Although the time is short, perhaps I should speak about the question of responsible government, about commitments made by presidents of the Treasury Board, prime ministers and ministers of finance, about the impropriety of government activities and government spending that are disguised from this House and from the people of Canada. That is the real impact of what is happening.

Petro-Canada is given a freebie of 25 per cent. The private assets are stolen and given to Petro-Canada. That will not show up in the estimates of this House, nor will it show up in the blue book, nor in the public accounts of Canada. The transfer of wealth from the private sector to the Crown never shows up, unlike our tax money that shows up in the public accounts and unlike government spending of a normal nature that shows up in the blue book and is examined by the House. The House never has a chance to examine it. The public never knows about it. There is no possibility of an overview and no possibility of an examination and no possibility for any member of the House, elected by the people of Canada, to hold those executives of Petro-Canada accountable for spending our money. There is no way we can examine them. There is no way democracy can work in this circumstance, Mr. Speaker. These private funds will be transferred over to a bunch of appointed people who are accountable to nobody.

● (2110)

Even the meanest socialist who also claims to be a social democrat recognizes that if he is to believe in democracy, public spending must be accessible to a publicly-elected body. The people elected by the voters of Canada must have the ability to somehow determine how much is being spent, by whom and for what purposes. They must have the ability to hold those people to account, at least by way of public exposure, for the activities they are undertaking. In this bill there is no way of doing it. Hundreds of millions and hundreds of billions of dollars are being taken from the private sector and put into the hands of government appointees. They will be spent without any democratic overview. Even a socialist, if he is not also a communist, must agree that that is not correct.

This is why I fervently hope that there are enough hon. members in the House who are willing to say that they take their responsibilities sincerely enough as individual members to examine the real intent of the motion and the real intent of Bill C-48. Hopefully they will vote in accordance with what Canadians expect and with what this great country deserves.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, when the hon. member for Calgary Centre (Mr. Andre) referred to the meanest type of socialist, I suppose he was looking at me. I should like to say a few words in reply.

This is a very historic night. I understand that a special cabinet meeting is taking place; perhaps it is discussing a proposal to settle the constitutional dispute. We are discussing an important matter tonight as well. There is a feeling or some hope around the building—and I say this in order to put it on the record of *Hansard*—that we can make a major breakthrough on the constitutional matter. I am sure all people in the country and all hon. members of the House would applaud it. I do not want to be out of order. I want to talk to Bill C-48.

The hon. member for Calgary Centre said rhetorically that we should speak about the real intention of this motion. All right, let us do so. The real intention of the Conservative motion is that they do not like the transfer of shares to Petro-Canada. They will block it any way they can. They have

tried to deny it in a motion. They have tried to change it in a motion. Now they are trying to really interfere with it and to fetter it.

That is why I do not have any problem in opposing this particular motion on behalf of my party. It is not a question of holding Petro-Canada executives accountable and saying that one is in favour of holding them accountable. The hon. member should check *Hansard* and the record of the meetings of the committee on freedom of information at which I suggested that freedom of information laws should be expanded to Crown corporations including Petro-Canada. I hope he will support that. I have cross-examined the president of Petro-Canada in committee. I had some hard questions to ask him. I have never cross-examined the president of Exxon. I would like to but I will never have the chance to do so.

Mr. Taylor: Take a chance.

Mr. Thacker: Buy a share.

Mr. Waddell: I hear the seals slapping. They are suggesting that I should buy a share of Exxon and attend meetings in Houston or New York in order to cross-examine the president. Nevertheless, I have no objection to the principle that those who are directing and running Petro-Canada should be held accountable. I do not think anyone in the House opposes that principle. If the hon. member needs the support of a mean type of socialist, then I agree with it. But he should not smear us with red-baiting nonsense.

The real intent of this motion is to fetter Petro-Canada. I suggest to hon. members on my right that they should take a look at Motion No. 24 in the name of the hon. member for Nunatsiaq (Mr. Ittinuar). It was ruled out of order because a part at the end referred to the transfer of money. The hon. member for Nunatsiaq said that we should talk about Petro-Canada or a Crown corporation holding some of that 25-per cent back-in for the benefit of native people who will come along and ultimately have land claims. Also we hope that ultimately there will be a settlement of land claims. Why was the government not prepared to do that? Why was the hon. member for the Yukon (Mr. Nielsen) not prepared to support that? Where were Conservative members when I tried to hold up the Standing Committee on National Resources and Public Works on this bill, on the basis of trying to win some rights for the native people of the north? They were supporting the Liberals in committee. Let us not have hypocrisy here; let us talk about the real thing.

Hon. members might have a look at the motion of the hon. member for Nunatsiaq. He indicated what really could be done with that 25 per cent interest. I suggest to hon. members across the way, such as the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), that they take a look at some of the later amendments to the bill from Mr. Ittinuar which in fact would help native people.

The Acting Speaker (Mr. Ethier): Order, please. I remind the hon. member for Vancouver-Kingsway (Mr. Waddell) that he must refer to hon. members by using the names of the constituencies, not their names.

Mr. Waddell: Mr. Speaker, of course you are correct. I was referring to their names as printed on the motions appearing on the Order Paper. They are followed by their constituency names.

The Acting Speaker (Mr. Ethier): As long as they are members of the House I maintain that they should be referred to by their constituency names, not by the name written on the Order Paper.

Mr. Waddell: I am just a new member of the House. I have to learn these rules.

An hon. Member: You are also a slow member of the House.

Mr. Waddell: Perhaps the hon. member for Calgary Centre would find more enjoyment in the British Columbia legislature. Perhaps he should look also at Motion No. 25. It contains a reference to arbitration in Clause 31(3). This is a further delaying tactic, a further fetter on the Crown's share. There is a further reference to Section 56 which is an appeal system to the federal court. This is the Conservatives standing up for their friends, the most profitable industry in Canada, the oil industry. Basically they are standing up for a foreign-controlled industry, the most heavily subsidized industry. They are trying to put a fetter on Petro-Canada. Petro-Canada is popular in the country. They should have learned this in the last election. They are fighting the last war, they are fighting a rearguard battle.

I think my comments summarize the reasons we on this side of the House do not feel we should support this hypocritical motion.

Mr. Bill Wright (Calgary North): Mr. Speaker, we are discussing Motion No. 25 tonight. It is basically an amendment to Clause 31, a clause which directs the government to transfer the 25 per cent confiscation to a designated Crown corporation. Basically, that is all it says, that the government may transfer its 25 per cent ownership in a discovery to a Crown corporation. All that must happen is that the Minister of Energy, Mines and Resources (Mr. Lalonde) give notice to the oil company that he is converting the government's free ride on a successful well into a working interest. In other words, during all the exploration on the Canada lands and every time an oil company makes a discovery, the government notifies it that the free ride is over and that it must be prepared to pay its way.

● (2120)

Motion No. 25 which would amend Clause 31 of the bill, suggests that when the government transfers its share to a designated Crown corporation—and we must emphasize here that many people believe that automatically means Petro-Canada but that is not the case; any number of Crown corporations can be designated and we do not know how many will be—it automatically becomes a working interest at what-

ever stage it is done. Not only that, but the terms of that working interest should be negotiated because when a company becomes a working partner a decision has to be made on who will operate the well. Will it be the government or the other partner? No allocation of duties in this regard is set down.

Moreover, this amendment suggests that if the two or three partners, or however many there are, and the government, cannot agree on working terms, then they should go to independent arbitration. All we are asking for is fairness to the other partners in the case of the confiscation of their discovery.

I should like to discuss this free ride which the government will now get, this 25 per cent confiscation of energy discoveries on Canada lands. Just who will be affected? The government will take 25 per cent of all oil discoveries. Will that affect the multinationals? That is what the Minister of Energy, Mines and Resources would like us to believe, but nothing is further from the truth. It will not affect the multinationals, and hon. members opposite should understand that. The multinationals have to spread their assets and their business all over the world; that is why they are multinationals. They do not want to be established in only one country or put all their eggs in one basket. When conditions in one country are not favourable, they simply move their funds to another country. That does not mean to say they move out of that particular country, but they do not do any more exploration than they have to. That is what is happening now in Canada. The multinationals are moving to Australia, for example, and are doing more work in the United States than they used to.

The companies being hurt by this 25 per cent confiscation are the independents. Many of these small Canadian companies started out ten years ago. If hon. members opposite would look at the history of the independents, they would see that most of them were privately owned then. Some had difficulty raising capital so they merged with others and became public companies. Between 1972 and 1979 there was a tremendous expansion in the number of independent companies and these are the ones that are being hurt by this policy—not the multinationals. The multinationals can out-wait governments. They do not need to put their money in Canada. It does not matter to a multinational if it puts $100 million, more or less, into Canada; that would not alter its cash flow to any great degree, but the independents, which for the most part are one tenth or less the size of most multinationals, will be badly hurt by this bill. In the last ten years they have tended to band together to go into the Canada lands. They used to go in as minority shareholders, sometimes with the major oil companies like Dome or Panarctic Oils, and other such companies. Now some of them are moving their technical staff and funds to the United States or Australia. We will continue to relate the real problem to hon. members opposite. The action in the next five years will be in Australia.

It does not give me any pleasure, Mr. Speaker, to tell the House that there is a small independent oil company in Calgary which will go broke this week. This sad story was related to me by an individual who told me that he will inform his staff next week that the company is going to fold. He said, "I have been a Liberal all my life. I have supported the Liberals and gone to all the fund-raising dinners, and what did I get out of it? Nothing". He has to lay off his staff and the money he will recover from the sale of properties will be moved out of the country. It is sad that this man has to uproot his family either to the United States or Australia.

The effects of this 25 per cent confiscation have been well recorded in the exodus of the rigs. Last summer when my wife and I drove through Coutts, Alberta, we stopped just 100 feet over the border. We could hardly believe all the trucks we saw sitting by the roadside. We had heard about the rigs going south but it is hard to visualize it from this distance. I counted 60 semi-trailers and I was told that they used to be backed up for two or three miles. Next day, in Calgary, I asked someone in the oil business why this was happening, and I was told that they were not allowed to go to the border in such numbers any more. They had to make all their arrangements in Calgary so that when they got to the border they would have, at most, a two-day stay. So the transfers were arranged in Calgary and when the trucks got to the border they would have only one or two nights to stay before they went across the border.

Earlier this year it was noted in this House that one year ago there were approximately 580 rigs in Canada, of which 450 were working. At the present time there are 430 rigs, of which 240 are working. It must be remembered that in that period of time 100 rigs were built.

Unfortunately, this government still believes that its decision to nationalize the oil industry was the correct one, even if that means the independent oil companies will suffer. This means Canadian oil companies, because not one American company will fail and not one European oil company will fail. Only Canadian companies will fail. What does it mean? It means lost jobs in western Canada.

• (2130)

I know a plumber who had 20 plumbers working for him but he now has only five. We have a government here which says it wants to help small business. It does not want to help small business, it wants to nationalize the oil industry. That is the design of this Prime Minister (Mr. Trudeau) and of this government. They want to nationalize the whole oil industry and they can only do it step by step.

There will be no such thing as oil self-sufficiency in Canada by 1990—we will not have it. The National Energy Board has told this government we will not have oil self-sufficiency by 1990. International economists have told the government there will be no oil self-sufficiency in Canada by 1990. This government refuses to believe them.

Twenty-five per cent interest held by the government of all exploration in Canada lands is nothing more than confiscation. This government is nothing but a group of thieves, stealing in the night, taking over things they cannot legally take over or do not have the money to buy. To say the least, this is terrible legislation and it is ridiculous that we are spending our time talking about the confiscation of an industry when we should

be talking about interest rates and the economic turndown in this country.

We have high interest rates in this country due in great part to the energy policies of this government. Let us not forget for one moment that this is why we have high interest rates. Our interest rates are approximately 4 per cent higher than those in the United States right now. Why is that? We must support the dollar in order to bring money into the economy. This government is afraid to allow interest rates to drop because money would then flow out of the country, owing mainly to the bad economic climate created by this government.

How did this all come about? Did it come about as a result of the Prime Minister's visit to China in 1948 when he discussed communism with Mao Tse-Tung? Did it come about when he led the Canadian delegation of communists to the world communist movement in Russia in 1952? Is that how it came about?

An hon. Member: Get into the twentieth century.

Some hon. Members: Oh, oh!

An hon. Member: You fell on your head when you were a kid.

Some hon. Members: Oh, oh!

Mr. Wright: I refuse to comment on the natterings of those in the left wing. Facts are facts. The present Prime Minister has said he does not want free enterprise to work in this country.

Some hon. Members: Oh, oh!

Mr. Wright: He has said that in his writings, and all you have to do is read them. This country is heading toward economic ruin. Unless we are prepared to stand up and be counted, we will never see the country we believe in continue into the foreseeable future.

This is a band of socialists across the way. We must label them as socialists in the future because they no longer belong to a liberal party. They are nothing but socialists, and as we go into the next election that is the label we will give them. The NDP will disappear and we will have only one socialist party, and it will be right across there. How will those members reply to their constituents when they are asked about all these socialist policies. How will they justify them? How do those hon. members go home at night and tell their constituents about all their socialist policies? Do you know what the answer is? Behind the scenes they are saying that when Trudeau goes, they will change things. There is a secret directive out from the annual meeting in Winnipeg which says that when Trudeau goes, they will turn to the right. But it will be too late.

Some hon. Members: Oh, oh!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have no ambitions to emulate the amusing rhetoric of the preceding speaker. I would not want to take the House into such inanities.

I think in discussing the motion before us, if indeed that is the purpose of our meeting this evening, I would want to attempt to situate the 25 per cent Crown interest in its proper context. The provision in the bill for a Crown interest is one part of the broad, comprehensive, new oil and gas regime in the federal Canada lands, and as such it cannot be viewed, as some hon. members opposite insist, in isolation from the larger package.

Bill C-48 as a whole in effect represents a new system to replace the existing system. I would have thought if hon. members opposite had taken the trouble to read the bill and compare it with the present legislation, they would have concluded that the incentives for the private sector are greater under the new legislation than exist in the present legislation.

I refer to the fact that under the current legislation holders of exploration rights are required to return to the Crown at least one-half of their acreage, which could involve the surrender in certain cases of up to 30 per cent of their discoveries prior to obtaining production rights.

I simply do not understand the argument of those who say the provisions of the current regime for the return of acreage does not in fact pose a burden on explorers. If this were so, and it were a burden, why have explorers in several cases opted for special renewal permits, on their entire acreage, which they can do under existing legislation, thereby accepting a 25 per cent Petro-Canada back-in? They did not choose to do that. They did not choose to move directly to lease, yielding 50 per cent of the acreage but avoiding a Petro-Canada back-in. On the contrary.

Under the new legislation, holders of exploration rights will not face that dilemma. They will be allowed to retain production rights over the entire area of a gas or oil field. Yet hon. members opposite say that somehow the 25 per cent Crown share is a more onerous burden being placed on private sector companies than exists under the present legislation where they must surrender up to 50 per cent of their acreage prior to production. I do not follow that reasoning any more than I follow the reasoning that is reflected in the motion before the House.

I want to take a moment to discuss that motion because, although its language is somewhat technical, there is a difference of approach which is important; a difference of approach that does, indeed, call into question our ability to Canadianize our industry to ensure a greater degree of Canadian participation by the private sector as well as the public.

• (2140)

The motion before us would provide that the Crown share would cease to be a carried interest at the beginning of the exploration agreement. Therefore, it would become liable for all the expenses of exploration. The intent of the legislation is that the Crown share remain as a carried interest until the production stage, at which time it will be converted to a

working interest and the Crown will be liable for its share of expenses.

As someone from the other side might say, that does not provide for compensation for the period of exploration prior to the conversion. Of course, the basic incentives under the petroleum industry incentives program will do just that. There will be incentives that will more than meet the costs involved.

An hon. Member: There will not be anybody drilling.

Mr. MacLaren: The result of subclause (2) of the amendment would be that the designated Crown corporation, whether it be Petro-Canada or another corporation, would have to negotiate special terms with the rest of the participants in an operating agreement. Of course, that is not the intent of the legislation. The intention is that the designated Crown corporation will participate in the operating agreement on a similar basis to that of the private members.

The negotiation of a severed agreement between the Crown corporation and those members, which is the aim of this motion, would defeat the purpose of the Crown share provision.

An hon. Member: That is exactly what it is intended to do.

Mr. MacLaren: That being the intention of the motion, Mr. Speaker, there is no question that it will be opposed by this side of the House as not being in tune with the legislation as a whole.

Subclause (3) of the motion provides for arbitration as to the terms of the entry of the Crown corporation into an operating agreement. Again, this would be inconsistent with the objectives of providing that the Crown corporation participate as an equal partner. The 25 per cent Crown share and the participation by a designated Crown corporation in an operating agreement is obviously known to all parties in advance. It should be unnecessary for the terms of the designated Crown corporation's entry to be a matter of arbitration.

With regard to a model operating agreement, contrary to what seems to be assumed in the motion, there is provision for arbitration in Clause 38 of the legislation. Once again, Mr. Speaker, I do not understand the purpose of bringing forward such a motion at this time.

In more general terms, we have had some discussion in the last few days, under the previous motion and under this one, on Canadianization in the broadest terms. To us on this side of the House, Bill C-48 which provides for a degree of government involvement in the frontier lands, lands that belong to all Canadians, represents a pragmatic Canadian response to a particular set of circumstances. Clearly the private sector is, and obviously will remain, the driving force behind our total economic development. Indeed, I hardly understand why the time of the House is taken with debating that proposition, with one side of the House alleging that somehow it is being called into question by this legislation. It is a truism that hardly needs repeating.

One of the obvious motivations behind the National Energy Program and, indeed, behind this legislation before the House, is the rapid development of the Canada lands for the benefit of all Canadians. In those terms, I would draw the attention of the House to the exploration grants that are provided to all explorers. Those grants clearly will help private sector companies to expand and develop their activities in the most promising areas of oil development in our country and to participate even more actively, commensurate with their level of Canadian participation.

I said it was a truism that quite clearly the private sector will remain the driving force and is the driving force of our petroleum development and indeed of our economy in general. It is equally a truism that Canada is a unique country. It is not the United States, it is not any other country. Obviously we share some similarities with our good friends to the south, but in other respects we have our distinct differences.

I think it is idle to view the National Energy Program or indeed Bill C-48 in the context of any other situation but that in which we find ourselves in Canada. That situation is clearly that over the years the sheer size of our country and the small population have placed restrictions on the economic and social development of Canadians. This is also true of political development. It has demanded a greater role for the collectivity, if you wish, if those natural obstacles we face of a vast and hostile terrain were to be overcome.

Against that very simply sketched background, it is obvious why Canadian governments, whether they be Conservative or Liberal governments of the past, have looked toward Canadian government involvement in the form of Crown corporations and other entities to help knit together this country and develop a huge and sparsely populated land.

If such activity and involvement on behalf of all Canadian people acting through their government has been necessary in the past and has been so deemed by both Conservative and Liberal governments in areas of urban intensity and areas of industrialization, how much more evident is it that such involvement is necessary in the vast territories of the Canada lands, frontier lands, offshore and high Arctic, underpopulated, often harsh and difficult environment. Government involvement in oil and gas development in those areas is hardly to be regarded with surprise. Indeed, if Canadians are to gain control of their own future, if native claims and the environment in those areas are to be guarded and protected, then it would be negligent of this government or any Canadian government not to provide for that active involvement.

Geography is clearly only one of the elements, one of the determinants of the National Energy Program and of Bill C-48. An equally pressing reason for the type of legislation and thinking that underlies the legislation which we have before us this evening is the fact that our petroleum industry has been massively controlled by foreign companies and investors in the past years.

There has been, thanks to measures taken by previous governments, some improvement in that regard. Quite clearly, if Canadians are to have a fair and equal opportunity to

participate in their own petroleum industry, then the legislation we have before us will, in part, present the occasion for them to do so. We have seen in Canada as much as 90 per cent of our petroleum industry controlled outside our own country, and it is only recently that Canadian governments have begun to take the initiative to ensure that that massive ownership be controlled and in some way reduced through higher incentives for Canadians to participate in their own industry.

• (2150)

It will be no surprise to anyone who is aware of the Canadian economic debate over the past years that there has been widespread concern about the level of foreign ownership within our country. I am not sure some of the hon. members opposite have yet focused on that concern, but a recent poll taken by the Canadian Petroleum Association, an association dominated by large multinational corporations, and other public opinion polls have indicated overwhelming support—80 per cent or 90 per cent support—for a greater degree of Canadianization of our petroleum industry. That is why in the bill before us there are major incentives for Canadians to take part in their industry in a way that they have not had occasion to do previously.

This bill is not in any way anti anyone. The bill is pro Canadian. It is an effort on the part of this government to open the way and to provide the opportunity to Canadians to take an interest, to participate and to play a part in their own vital energy sector.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I listened very carefully to the comments of the parliamentary secretary. I do not think anyone in this House who is reasonable would argue in favour of foreign ownership of any industry in Canada. That is not what any of the members of my party have been doing. We want Canadian ownership. Over the period of years that the Liberal Party has been in power ministers have worked toward Canadian ownership of the petroleum industry, and with some success, but the way they have been doing it has never been argued in this House because they have been doing it in the orthodox and accepted way. This bill would give the power to a government to do things we would not permit an individual to do.

The hon. member for Vancouver-Kingsway (Mr. Waddell) is a lawyer, and he talked about this in terms of transferring a share. If shares were being transferred in the way the rank and file of the people of Canada transfer shares, there would be no argument in this House. If I want to transfer half my lot to somebody, I make a deal with him. We decide on the price. He deposits the money with the lawyer, the lawyer has the matter transferred in the land titles office, and when the lawyer gives the purchaser the title to that share of my land, the lawyer gives me the money given to him by the purchaser. That is transferring a share. However, this bill says:

> Where the Minister of Energy, Mines and Resources directs the transfer of a Crown share under this section, the Minister shall forthwith give notice thereof to the relevant interest holders.

I emphasize the word "directs". This bill allows someone who has power to say, "This is going to such and such a person; it is no longer yours." A million dollars might be spent in the north finding a successful oil well—and I hope there will be many—and the minister can direct that part of that find will go to a Crown corporation. It makes the minister a partner in the oil found. It will not just be found by multinationals but also by small independent companies because a large portion of our petroleum industry is made up of small companies. However, the minister will direct that 25 per cent of that will no longer belong to the company involved. The company will have spent its money, but the minister will be able to say that the oil no longer totally belongs to the company. A share will be transferred forthwith. That is not transferring. That is why our motion talks about negotiations. That is why financial costs and economics are referred to. Our motion talks about a deal if a transfer is required, but we should be fair about it. I am very concerned that we are doing things at the direction of a government. That is confiscation. Some hon. members have called it theft. We are authorizing theft by law, and I object to authorizing that type of thing. We are saying to the young people of Canada that it is all right for a minister of the Crown to direct the transfer of somebody else's property without compensation and without the Crown's sharing in the cost incurred in finding the resource. Do hon. members opposite call that fair? That has never been done by a Liberal government or any other government in this country. How can that be called fair? What do we call it when a young person's father directs him to steal a roast of beef from the butcher shop?

Mr. Munro (Esquimalt-Saanich): Just transferring it.

Mr. Taylor: Is that just transferring it? He was directed by his father, but that does not make it right, and putting this into legislation does not make it right. This is morally wrong, and I plead with hon. members on the government side that we not have to tell the young people of this country that it is all right to steal and not pay, that it is all right to confiscate and that it is all right to transfer someone else's property without compensation. That is not the Canadian way. Those we will honour on Remembrance Day did not fight for that kind of country. We want fair dealings and honest dealings, and when we start authorizing the direction of one person's property into the hands of someone else without proper arbitration and without making a proper deal—without negotiations and without entering into an agreement—that is not transferring shares at all. It is expropriation. It is confiscation. In ordinary language, it is theft. We should not condone the theft of property.

Let me give a simple illustration. We are talking about millions of acres in the north, but let us say I spent a lot of money on my little lot. Let us say I had a lovely lawn and a lovely flower garden. Then the mayor of the city says, "I am going to give part of that to your neighbour who spent no money and let weeds grow on his land." The mayor is going to transfer a share of my land to someone else without my having anything to say about it. Is that right? There is not an hon.

member opposite or on this side of the House who would stand for that if it were done with his own land. Just because we do it to multinationals does not make it any more honourable. It is not right. It is morally wrong. It is contrary to the Canadian way of life. I plead with hon. members not to leave this kind of example with the young people of this nation. The Solicitor General (Mr. Kaplan) has enough trouble without having people think it is all right to steal from certain people. One day I heard a chap say that it is all right to steal from the government because the government has lots of money and is wasting it anyhow. However, that does not make it right. It does not make stealing right. It does not make confiscation or expropriation right. These things are contrary to our way of life.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR SAFETY—REQUEST FOR TABLING OF REPORTS ON EMERGENCY LOCATOR TRANSMITTERS

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, I am rising this evening on the late show to deal with a question I put on the Order Paper slightly over a year ago, but the fact that it was over a year ago really has no bearing. In fact, I have been asking questions on this subject now for some eight years. I have put my question to the Minister of National Defence (Mr. Lamontagne) in this case because over those years I have had no answers from the Minister of Transport (Mr. Pepin). Since the Minister of National Defence seemed to have a great deal of interest in this question, that is who I went to. I am sorry the Minister of National Defence is leaving the House this evening. I expect I will be answered by his parliamentary secretary or the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael), the department from which I got no answers for eight years. Maybe tonight I will be surprised.

• (2200)

I want first to go to the question that I asked on October 21, 1980. At that time I asked if the Minister of National Defence would have his colleague, the Minister of Transport, table some of the reports in existence having to do with ELTs. The Minister of National Defence said he would indeed have his colleague look into it. I should perhaps put on the record that ELTs are electronic locator transmitters. I am sure the parliamentary secretary is familiar with the terminology, but perhaps it should be on the record.

The Minister of National Defence said on that day that he was collaborating very closely with the Minister of Transport to see if they could devise a new ELT with a proper battery. The parliamentary secretary will recall that we had quite a session on electronic transmitters. The Department of Transport had arbitrarily said that all aircraft owners in a certain category in Canada had to instal ELTs. The ones they were to put in were those with lithium batteries. The lithium batteries slowly disintegrated. Not only did they not function properly, but they in fact caused accidents. Sometime after, realizing their mistake, the Department of Transport withdrew the lithium battery-powered ELTs. At that time aircraft owners were at liberty to choose whether or not they wished to carry the ELTs.

When the Dubin inquiry was taking place, Mr. McLeish the director of air transport in Canada admitted that they knew there were problems with ELTs. It bothers me that the director would know that and still allow those instruments to be placed in aircraft rather than take steps to have the problem straightened out.

We know that ELTs can save lives. As part of the answer to the question I asked on October 21, the minister said it would save a great deal of money. He did not know how much. At the Dubin inquiry, the figure of $8 million per year was used. That is the amount that could be saved by the Department of National Defence in its search and rescue units if we had electronic locator transmitters on all light aircraft. In order to have this work done properly, there should be some research.

At that time I asked the Minister of National Defence if he would join in some proper research that would give Canada an ELT that would work in our climate and do the job. Obviously that has not been done.

Again referring to the Dubin inquiry, I read that the defence department recommended that an alkaline or mercury battery, while not meeting the specifications, could be used because "they would be better than nothing." That may be, but not if we are to spend the kind of money that is going to be asked of aircraft owners like myself to spend. According to a press release from the department in September of this year, it appears that $3.5 million will now have to be spent by owners to put in ELTs for which there are no specific details or specifications. The best we can do is to buy one built in the United States. No Canadian types are available that will do the job. We are as badly off as we have been for the past eight years. The Department of Transport is just as guilty. Has the research been done? We do not know yet whether the ELTs will work on the satellite system that is planned. Frankly, Mr. Speaker, we do not know whether the estimate of the $3.5 million that it is anticipated will be spent will be any better than the last one which anticipated that about $8 million or $9 million will be spent to put in ELTs.

• (2205)

We are sick and tired of the cavalier attitude of the Department of Transport with regard to this particular matter. I am on my feet again after eight years and I look forward to the

answers from the parliamentary secretary. I strongly suspect, Mr. Speaker, that I will be on my feet again in the near future with the same problem.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The minister has been most concerned about the need for effective emergency locator devices to be carried on board Canadian aircraft. However, his desire to achieve this objective as quickly as possible has been tempered by past experience. As you may know, the department made the carriage of ELTs mandatory in the early 1970s but was obliged to review its decision in the light of technical difficulties experienced with early versions of this equipment.

It has not been mandatory to carry emergency locator transmitters in certain Canadian aircraft since September, 1977, when an airworthiness directive was issued ordering the removal of lithium batteries in the equipment. The batteries became a safety hazard in that they produced sulphurous acid corrosion of internal parts causing false ELT activations and explosions.

A number of months ago a program was instituted to re-establish the requirement for all aircraft to carry ELTs. This program has now been completed and an air navigation order making the carriage of ELTs mandatory was published in *The Canada Gazette* on October 28, 1981. It will require that emergency locator transmitters be carried on board of approximately 20,000 Canadian-registered aircraft after April 1, 1982.

The Department has also revised ELT technical standards to call for less stringent cold-weather performance. Revisions call for 50 hours of continuous ELT transmission at minus 20 degrees Celsius instead of the previous 100 man-hour transmission at minus 40 degrees Celsius.

ELTs will not be required for any aircraft operated within 25 nautical miles of an airport or multi-engine turbo-jets of more than 5,700 kilograms operated over land under instrument flight rules in controlled air space south of latitude 66°,30′ north.

It was the original intention of the department to establish a compliance date of January 1, 1982. Aircraft owners, however, must be allowed sufficient time to repair or replace their existing ELTs, and the effective date selected of April 1, 1982, will allow a more realistic time period for these corrective actions to take place. This will preclude aircraft operators from being put in a position of being unable to comply with the legislation, through no fault of their own.

A significant number of owners already have properly functioning ELTs on their aircraft. The department estimates that about half of the ELTs required by Canadian aircraft will have to be replaced at a cost of $350 to $400 per unit, a minimal cost, Mr. Speaker, compared to the cost of a research and rescue mission, or the possibility of loss of life.

VIA RAIL—CUTS IN SERVICE IN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): On Monday, October 26 I asked the Minister of Transport (Mr. Pepin) to explain with rationality and proper philosophy how he plans to put the passengers from two overloaded trains into one when he cancels the Atlantic as it passes through New Brunswick. I asked what accommodation the minister planned to extend to the travelling population of Canada on emergencies or on holiday excursions, if he now proceeds to destroy the equipment that gives us some kind of service. I asked whether New Brunswick Liberals objected to the cancellation of the Atlantic Limited and the Moncton-Edmundston VIA service. To date I have received no statement from the minister which was either rational or philosophical or logical or explanatory. He continues to affront the House with rhetoric and supposition. I urge him to reconsider his drastic move to eliminate the Atlantic Limited and the Moncton-Edmundston service until he has had time to hear from the multitude of people who depend upon that train service.

● (2210)

We in the official opposition at least took the time at our own expense to hear from groups and individuals, not only in the maritimes but across the country, in order to better understand the hardship this cutback would produce. We spent many long hours listening to testimony on how the cutbacks will isolate towns, destroy businesses, shatter livelihoods, and break apart the very fabric upon which this great country was originally founded. It is a divisive force.

What advice or lack of it has perpetuated the minister's irrational decision? When we were in government we faced the same list of alternatives but, much to the credit of the former minister of transport, the hon. member for Vegreville (Mr. Mazankowski), the decision was not to implement the cutbacks as the minister has announced but to increase the VIA budget. One thing is certain: government members from New Brunswick ignored local advice and voted to support the cutbacks. I hope they are planning holidays somewhere else other than in their own constituencies, if they expect to enjoy "peace on earth." They are certainly not expressing "Good will to all men" in their support of VIA Rail cutbacks.

Time does not permit me to go into a detailed report of all the submissions which the task force received, but I urge the minister and hon. members to read thoroughly the task force report. I particularly suggest that maritime members take a look at pages Nos. 41 to 45 of the report wherein all responsible people who made representations on behalf of the continuance of the service are listed. Let me list but a few. There were representations from four different unions, boards of trade, the mayor of Dartmouth, the government of Nova Scotia, the city council of Halifax, the mayor of Saint John, the mayor of Fredericton, city councillors of Moncton, the mayor of Sussex, the mayor of St. Andrews, Fredericton Junction, Mr. Lamey, the director of the Capital Development Commission, and the list goes on. I suggest that hon. members from Atlantic Canada should read the list of influential,

significant and important people who made these representations. May I say that my folder would not hold the representations prepared on short notice which we got in the city of Saint John alone, that my briefcase would not close when I put in it the representations, which were placed in haste but with sincere earnestness, by the time we had visited Halifax, Moncton and Saint John. This is the kind of hard work those people were prepared to put into their objections to try to enlighten us and the Government of Canada.

It is obvious that the cutbacks in rail service will affect tens of thousands of Canadians as well as thousands of tourists. The ramifications will be felt by virtually every Canadian, whether they use trains for transportation or depend upon them for bringing customers to them for business. Earlier the minister spoke about isolated communities. Canada will never know what it is like to have isolated communities until rail passenger service is withdrawn to the extent proposed at present. Why is the minister so adamant on the subject of rail passenger service when his director of air transport went to Quebec City and said that the proposed domestic aviation policy was not cast in iron and that there was room to accommodate changes?

● (2215)

This comes from Mr. Hans Lovink, the director of domestic policy for air transportation. An article in *The Globe and Mail* of November 3, 1981 reports an interview with him as follows:

He said, however, that Transport Minister Jean-Luc Pepin is prepared to listen to arguments for changes and the purpose of the proposal was to generate discussion.

Why should there not be discussion on the cancellation of VIA Rail? Why should there be nothing but an adamant, obstinate pursuit of this abandonment? At a time when other countries see fit to expand and renew their rail passenger services, our government reduces it in this country. In spite of the fact that other countries have had to restore the service at great cost, this government proposes to remove from passenger transportation the one service which takes only 5 per cent of its costs in energy, when automobile and air transportation take approximately 30 per cent of their cost of operation in fuel energy consumption.

I would remind the minister that it was only about two years ago, after a lengthy and productive public hearing, that the CTC recommended that the Atlantic Limited be put in place.

The minister of transport for Nova Scotia has said that for the federal government to overturn by order in council the hard work of the CTC after less than two years is a disappointment to those who participated in the public hearing process and who felt that consultation had produced a beneficial solution. He went on to say that the plan to kill the Atlantic Limited is premature and completely incomprehensible.

May I have an answer to my question, Mr. Speaker.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, last night I answered a very similar question on the reasons for discontinuing the Atlantic Limited. The main point I tried to make was that extremely high costs had forced the government to eliminate one of the two transcontinental services between Halifax and Montreal. On both the Atlantic Limited and the Ocean, the taxpayer pays an average of 70 cents for every 30 cents of ticket revenue. The services cost the taxpayer a total of $45 million in 1980 for the Atlantic region.

The government regrets the inconvenience caused to residents of southwestern New Brunswick who must backtrack to Moncton to connect with the remaining transcontinental to Montreal. However, even the member for York-Sunbury (Mr. Howie) acknowledged last night that the rail liner service being extended from Saint John to Fredericton was "a progressive move."

The other service being discontinued in New Brunswick is the dayliner between Moncton and Edmunston. This line is being terminated because of very poor performance. The revenue-cost ratio is 13.6 per cent. In other terms, a $22 ticket is subsidized to the extent of $140 to make up the true cost of transporting that one passenger, which is $162. The occupancy rate on the train is about 28 per cent, but it should be noted that almost one in four passengers on this train travels on passes and therefore generates no revenue. The service lost over $2 million in 1980, and carried a total of 32,500 passengers, or less than 100 per day in each direction.

Although some communities will be somewhat isolated when this service is terminated, there is every hope that alternate transportation services, such as buses, will be developed and improved in the near future.

REGIONAL DEVELOPMENT—ELIMINATION OF PRINCE EDWARD ISLAND PUBLIC SERVICE POSITIONS (B) ADMINISTRATION OF FEDERALLY FUNDED PROGRAMS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, last Friday, in the House of Commons, I posed two important questions about the recent elimination of 161 provincial public service positions on Prince Edward Island following the signing of the third and final phase of the P.E.I. Comprehensive Development Plan.

My first question, directed to the President of the Treasury Board, (Mr. Johnston) noted that the federal government clearly intends to take over some programs from the island previously cost-shared by the two levels of government but administered by the province of Prince Edward Island. I asked the President of Treasury Board whether he knew that this new approach by the federal government is, in large part, the reason why the province has been forced to lay off some 138 provincial public employees.

My second question was directed to the Acting Minister of Regional Economic Expansion. I wanted to know whether the federal government had yet identified which programs it intends to take over from the province of Prince Edward Island now that the third phase of the Comprehensive Development Plan is in place. If the government had identified those programs, I wanted to know what they were.

• (2220)

In response to both questions, ministers of the Crown were content merely to say to me and to the House, and through the House to the people of Prince Edward Island, that the government of P.E.I. was laying off more public employees than could be attributed to the signing of the third phase of the P.E.I. Comprehensive Development Plan. I wish to set the record straight in the few moments I have at my disposal.

First, much of the problem stems from the fact that the Prince Edward Island Comprehensive Development Plan has not been wildly successful. The 15-year program was inaugurated in 1969 with great fanfare by the provincial government of the day. It was touted as the blueprint for a complete revitalization of the economy of Prince Edward Island. Hope was held out that at the end of the 15-year multimillion dollar program our island province would be so self-sufficient that it alone, without continued infusions of federal government money, could sustain the hundreds of public employees recruited under the plan. But the opposite has happened. Although the plan did produce some successes, P.E.I. is now just as dependent on the federal government as when the plan was inaugurated 12 years ago. With the development plan currently coming to an end, the day of reckoning is near. Since the federal government is backing away from shared-cost programs, not just in Prince Edward Island but right across the country, in favour of services delivered directly by the federal government rather than through the provinces, my question is, will provincial public employees be a thing of the past in Prince Edward Island in three years' time when the program comes to an end? Certainly, the current trend suggests that such an outcome is indeed possible.

In the area of agriculture, for example, the relevant provincial department expected to receive more than $8 million in each of the three remaining years of the development plan, for a total of about $25 million. As it turned out, the federal government decided to spend $7.6 million of the total amount in the province on a direct delivery basis rather than through the provincial Department of Agriculture. Thus the P.E.I. government, in that one department alone—and I mention it as an example only—will be receiving $17.6 million instead of $25 million. Consequently, in the Department of Agriculture the staff has had to be slashed by 60 employees, roughly half of the total number. Other departments, covering a broad range of programs and services, have similarly been affected by the federal government's decision to direct deliver services, rather than to participate with the province on a shared-cost basis, with P.E.I. handling the delivery.

Indeed, of the $90 million which the federal government will contribute over a three-year period in the third and final phase of the P.E.I. Comprehensive Development Plan, almost $40 million—I think it is $39 million plus—will be spent on programs that effectively exclude the provincial government as far as administration and delivery are concerned. Is it any wonder then that the province has been forced to lay off the public employees who have been laid off?

I urge the federal government, in the strongest terms possible, to rethink the way in which it plans to administer federal expenditures on Prince Edward Island and in other areas of the country. At the very least, in P.E.I., every possible step should be taken by the federal government to recruit any provincial public employee laid off because of the recently signed third phase of the development plan. Presumably, if the federal government persists in controlling programs formerly administered by the provincial government, more federal government employees will have to be hired on Prince Edward Island. Surely, when hiring, the federal government should give priority to those people whose competence has already been demonstrated by years of service at the provincial level.

In conclusion, may I note that the Minister of Veterans Affairs (Mr. Campbell) is here, and no doubt he will want to respond to my observations. I invite him and urge him to join me and other islanders in putting pressure on the federal government to bring wisdom to bear on this issue.

• (2225)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I find this question slightly unusual in that it is being debated in the House of Commons because it is probably the first occasion on which the federal government has been asked to determine the staffing patterns for a provincial government in this country. Of course, the reason is given that, as a result of changes in the funding and delivery of development programs in the province of Prince Edward Island, 161 employees have been directly affected.

I think it is fair to say that there is no question that the decision by the Government of Canada to direct deliver a number of programs has had an impact upon provincial government jobs. It has had an impact to the extent of 40 to 50 jobs. It is also clearly understood, not only by the government of which I was a member but also by the present government, that funding and cost-shares for salaries would gradually diminish over a period of time. In fact, during my period as minister of finance, we did absorb a sizeable number of the 350 employees whose salaries were no longer cost-sharable under the federal plan.

The interesting part about the situation which we presently face is that many of the employees whose positions have been abolished as a result of the decision made a week ago Friday, are positions which were never cost-shared under the development plan. We never cost-shared, for example, the artificial inseminators in agriculture. We never cost-shared the plumbing inspectors in the department of municipal affairs. These were clearly employees whose functions and salaries were paid for totally out of the budget of the provincial government.

As a result of the impact on roughly 50 jobs, the decision to direct deliver programs will lead into opportunities for approximately 30 positions. I am certainly very sympathetic toward these employees and I am sure the opportunities are there. I certainly encourage all employees, as the hon. member across the way has done, to take advantage of those competitions when they come up.

Adjournment Debate

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, November 4, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

VIA RAIL

INVITATION FOR MINISTER TO ATTEND BEFORE SENATE COMMITTEE—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given the unanimous request of the Senate Committee on Transport asking the Minister of Transport (Mr. Pepin) to rescind his July 27 decision to terminate 19 per cent of VIA Rail passenger services, and whereas the Senate transport committee has invited the Minister of Transport to appear before it to explain his actions, a request which the minister has so far ignored, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House directs the Minister of Transport to accept immediately the invitation from the Senate transport committee asking that he appear promptly before the said committee to give evidence and answer questions regarding his regrettable decision to terminate VIA Rail passenger service.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNITED NATIONS

TRIBUTE TO CONTRIBUTIONS MADE BY CANADIANS SERVING IN PEACEKEEPING FORCES—MOTION UNDER S.O. 43

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, 25 years ago today, on November 4, 1956, the General Assembly of the United Nations in special session adopted a resolution to resolve the Suez Canal crisis by the creation of a United Nations peacekeeping force under the command of a great Canadian, General Burns. This resolution, sponsored by the then secretary of state for external affairs, the Right Hon. Lester B. Pearson, in the name of Canada, marked the beginning of United Nations peacekeeping forces and won for its author the Nobel Peace Prize.

Pursuant to Standing Order 43 I therefore move, seconded by the hon. member for St. John's West (Mr. Crosbie) and the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House recognizes the contribution made by those Canadians who have served and continue to serve in these United Nations peacekeeping forces, and particularly those who lost their lives, and that this House renews its commitment to the United Nations effort to promote world peace.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

MINISTER'S POSITION—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, the attitude of the Minister of Industry, Trade and Commerce (Mr. Gray) toward changing the Foreign Investment Review Agency is resulting in keeping vital foreign investment out of Canada which, in my constituency alone, accounts for approximately 80 per cent of present industrial jobs created by American and British capital. I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of Industry, Trade and Commerce clarify immediately whether or not he intends to proceed with serious curtailment of foreign investment in Canada, particularly American, and in relation to border areas such as Leeds-Grenville that the minister confirm immediately a government policy of discontinuing the practice of halting legitimate American investment at the New York State-Ontario border which has made him known as the minister of industry for northern New York State.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

WELFARE

CARE OF NATIVE CHILDREN IN MANITOBA—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter that is definitely of urgent and pressing necessity. Whereas native children in Canada are the victims of a hodge-podge of disgraceful approaches to child welfare, whereas in Manitoba alone 60 per cent of all children in care are native, and whereas an agreement for a native child welfare program was reached last spring between the Four Nations Confederacy and the governments of Manitoba and Canada but is yet to be implemented, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House directs the Minister of State for Social Development and the Minister of Indian Affairs and Northern Development to act so that this program be given immediate cabinet approval and funding in order that native children in Manitoba receive the high quality care to which they are entitled.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

EFFECT OF CUTBACKS ON ACROPHOBIACS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in its reckless VIA Rail cutbacks the government has forgotten to consider 500,000 acrophobiacs in Canada, those people who have a fear of heights and who have to rely mainly on trains for travel. I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House instructs the government to rescind its July 27 order in council which mindlessly cancelled the lifeline of transportation for these 500,000 Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

[*Translation*]

INDUSTRY

TEXTILES AND CLOTHING—CREATION OF AGENCY TO AID INDUSTRY—MOTION UNDER S.O. 43

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Last week, the Prime Minister (Mr. Trudeau) announced the creation of a Canadian agency to aid the textile and clothing industry, which will be responsible for co-ordinating up to $250 million in grants to the industry, and have its head office in Montreal. Madam Speaker, I move, seconded by the hon. member for Lotbinière (Mr. Dubois):

That this House congratulate the Government of Canada on the action thus taken to aid the industry, its Canadian workers and their communities.

Madam Speaker: Order, please. This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

EFFECT OF HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the government's interest rate policy where Canadian interest rates today are 4 to 5 per cent above American rates is preventing the purchase of new capital machinery to make our industry more productive. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Industry, Trade and Commerce, who was so persuasive in this House when he was finance critic for the Liberal party about the devastating effect of high interest rates on business, today on motions explain to this House how his high interest policy is now enabling business to be more productive.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRADE

REPRESENTATION CONCERNING TAX POLICIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the balance of trade in manufactured goods between Canada and the United States continues to deteriorate under Liberal incompetence in economic affairs, especially relating

to trade and commerce, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That in the forthcoming budget, if it ever arrives, tax policies not be pursued which would put Canadian industries in an even less competitive position compared with their American counterparts than presently unfortunately exists.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HAZARDOUS SUBSTANCES

TREATMENT OF LUMBER WITH CHLOROPHENOLS—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas a number of scientific studies available to the ministries of Agriculture and Health and Welfare indicate the health and environmental danger posed by the substances known as chlorophenols, and whereas a recent study commissioned by Local 1-85 of the International Woodworkers of America in Port Alberni, B.C. reports that workers exposed to these substances show a significant increase in the incidence of symptoms of ill health, believed to result from their proximity to these substances in their workplace, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That the Ministry of Agriculture, in co-operation with the Ministry of National Health and Welfare, be instructed to exercise its mandate under the Pest Control Products Act and ban the use of these substances for the treatment of all lumber so that Canadian woodworkers are no longer exposed to these poisons.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

MURDER OF POLICEMAN IN LONGUEUIL, P.Q.—EXPRESSION OF CONDOLENCES TO BEREAVED FAMILY—MOTION UNDER S.O. 43

Mr. Jacques Olivier (Longueuil): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Madam Speaker, whereas yesterday in Longueuil a young policeman of twenty-six, Michel Vincent, lost his life while protecting the interests and the rights of his fellow citizens against any kind of transgression, and another officer was seriously wounded, I move, seconded by the hon. member for Chambly (Mr. Dupont):

That this House send a message of condolence to the family of Michel Vincent who died yesterday in tragic circumstances while protecting our rights.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRADE

EFFECT OF GATT ON BEEF IMPORTS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, since the Canadian negotiators at the Tokyo Round of the General Agreement on Tariffs and Trade accepted agreements that are now causing Canadian cattlemen to operate below the cost of production throughout all of 1980-81 by agreeing to a formula allowing beef imports relative to human population growth, and a guaranteed minimum level of importation based on figures collected when our cattle populations were at an all-time high, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Government of Canada refer this issue to a special standing committee so that the government might in turn accept the responsibility for the damage caused by the actions of their negotiators.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

SUGGESTED REDEPLOYMENT OF HUMAN RESOURCES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce (Mr. Gray). I have in my hand a document entitled "A Top Secret Cabinet Document" that was sponsored by the Minister of State for Economic Development who happens to be in the other House. My question to the Minister of Industry, Trade and Commerce centres on this document which sets out as a top priority the redeployment of Canada's human resources from one area of Canada to another. Would the minister indicate if he, as the minister in the other House suggested, agreed to this proposition, and if this is, in fact, part

of the industrial strategy that he has told us is on the way and will be introduced shortly?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we want to increase job opportunities for Canadians, particularly in the areas where they live. I appreciate that my hon. friend is in effect trying to build up interest for our forthcoming announcements in the area of industrial strategy. I hope my hon. friend will be patient and hear the announcements and I hope that he will have the same level of interest but with a higher degree of support.

Some hon. Members: Hear, hear!

MOBILITY OF LABOUR

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is also to the Minister of Industry, Trade and Commerce, who apparently is confirming that his senior minister has, in fact, revisited Walter Gordon's 1957 proposition of depopulating various areas of Canada to the general disadvantage of the nation.

Some hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, again if I may direct my question to the minister about the suggestion that the cabinet should actively seek ways to reduce the impediments to mobility and adjustment caused by unions, professional associations and provincial practices. Would the minister indicate, first, if that is one of the reasons that his government is so adamant in having a mobility clause put in the government's Charter of Rights proposition? Second, how does the minister propose to denude or depopulate the various areas of Canada? Third, what has the minister in mind when he says that he wants to counter the unions, the professional associations and the provincial practices that restrain the type of movement that he has in mind?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not accept or confirm the premise with regard to my hon. friend's question that what he has is a document that represents a decision or policy of the Government of Canada as such. In any event, I think Canadians generally feel that we should strengthen the common market in this country, which means maintaining and strengthening opportunities for Canadians to have job opportunities in every part of the country. I think this is a healthy idea, even though, as far as I am concerned, the focus has to be on strengthening opportunities for work in the regions where Canadians make their homes.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

MINISTER'S POSITION

Hon. Sinclair Stevens (York-Peel): My question is again directed to the Minister of Industry, Trade and Commerce. As the minister is undoubtedly aware, the document submitted by his senior minister to cabinet makes virtually no reference to FIRA whatsoever. Would the minister indicate where this puts his proposition with respect to FIRA? Is it no longer a priority? Has he been overruled? In short, is it true that he has absolutely no clout in cabinet whatsoever? Is it absolutely true?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not believe it would be wise for my hon. friend to put forth the premise in his question that whatever he has in his hands involves a document reflecting a decision of the Government of Canada as a whole. The position that we stated with respect to FIRA was that stated in the Throne Speech. As I have said before, and I shall repeat here, we are presently discussing the timing and the manner of dealing with what we said in the throne speech in this regard. I only remind the House of the very strong comments with regard to this matter that were made by the Secretary of State for External Affairs yesterday. They are comments worth repeating and worth remembering.

* * *

THE ECONOMY

STATEMENTS MADE BY MINISTER

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have a supplementary question also directed to the same minister. The minister's policy and statements with regard to government intervention and foreign ownership are clearly contrary to the philosophy in this cabinet document on economic development, at page 19, if he wishes to refer to it. They are clearly identified as one of the key reasons why there are high interest rates in the country today. Is the minister's contribution to the very high level of interest rates the main reason why his approach to industrial strategy has been shunted aside by his cabinet colleagues?

• (1420)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, if I am not mistaken, interest rates have come down some three percentage points since their record high level in August. I am sure all of us, while continuing to be concerned about the issue, look forward to and hope for continued movement in that area. I am not accepting the premise of the hon. member's question that what he has in his hand reflects in any way the decision of the government as a whole.

Mr. Clark: Perhaps they did not tell you.

Mr. Gray: What he is talking about as my policies are the policies put forward by this party during the election and confirmed in the throne speech. They are policies with which I

am pleased to be associated because they are policies the majority of Canadians indicated they support.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, it is quite clear from this document that the statements and the philosophies which the minister has been following, not just since he has been in the office he holds now but for the last ten years, have led to the present high level of interest rates in the country. In my presence about a year and a half ago the minister said that if interest rates went above the prevailing level, at that time of some 13 to 13.5 per cent, he would resign.

He has also said that this document does not necessarily represent government thinking at this stage. If in fact it represents government thinking and is accepted by his colleagues in government, will the minister resign both for that reason and for the reason he stated 18 months ago, that if interest rates went above the then prevailing rate he would resign?

Some hon. Members: Hear, hear!

Mr. Crosbie: Resign, Herb!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not think that the policies I support are in favour of or have in any way contributed to high interest rates. The hon. member's question is essentially hypothetical, but I think I will say now, as I said before, that in any event whatever happens in terms of government announcements it is incumbent upon people such as myself to stay here and fight to ensure that the group on the other side do not get in office again and have another chance to damage the economy as they already started to do before they were thrown out by the Canadian people.

* * *

PUBLIC SERVICE

WAGE EQUALITY FOR WOMEN EMPLOYEES

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the President of the Treasury Board. The Human Rights Commission found in May, 1980, that the federal government was guilty of shortchanging some 3,000 public servants, mostly women, by approximately $9.5 million. Since the report of the conciliation board brought down yesterday argues that this point is correct and indicates that equality should be provided, why has the minister waited 18 months to provide the equality due Canadian women? Why does he not pay them the money they deserve?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, this question has been asked a number of times in the House.

Mr. Broadbent: Well answer it this time.

Mr. Johnston: I have given very satisfactory answers. We have moved in every possible way that we could up to this point to eliminate what has been called a discriminatory practice. This so-called discrimination against women is actually against female dominated groups in the general services group. Let me cite an example. In the laundry services group there are 36 women and 35 men. We recognize that the contract to which that group is subject in 22 different pay zones and seven subgroups across the country is a basis of claim for discrimination.

Miss MacDonald: How about deputy ministers?

Mr. Johnston: The conciliation board report which was handed down yesterday was referred by the Public Service Alliance to its membership for ratification, which it has to do in accordance with the terms of its constitution. In the meantime we have indicated our support for the minority report which would have the effect of eliminating discrimination and in fact of providing a common pay plan, a 17 per cent increase in 1981, and a 10 per cent increase in the next year. In fact it is a 26-month contract. I do not see how the hon. member for Oshawa can say that we have not done everything possible to revolve this difficult situation.

• (1425)

I might also add that with respect to the retroactive period which terminated at the end of the prior contract, namely, in December, 1980, a human rights tribunal was constituted and that issue will be determined by the tribunal, namely, what is the proper interpretation of Section 11 of the Human Rights Act.

REQUEST THAT CONCILIATION BOARD REPORT BE ACTED UPON IMMEDIATELY

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister is clearly the biggest sexist in the country. Listen to that answer! He knows that I wrote to him in June, 1980, after the ruling of the Human Rights Commissioner, and he wrote back saying that he would resolve the issue as "expeditiously" as possible. That was 18 months ago. Canadian women working for the Canadian government are still waiting for his action.

I ask the minister again why he is waiting to act until further meetings take place? Why does he not accept the majority recommendation of the report that came down, and why does he not provide some equality now?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the hon. member for Oshawa and his party are notoriously generous with taxpayers' money. The interpretation to be given to Section 11 of the Human Rights Act is something that a tribunal must determine. We have made offers of settlement. We made a proposal to the Human Rights Commission that would have cost the taxpayers $13.8 million. The Human Rights Commission suggested that a

human rights tribunal be established. No counter proposal was made.

Mr. Broadbent: You should take action.

Mr. Johnston: The conciliation board has made a specific proposal which has very far-reaching implications, with respect to the application of that act. Is the hon. member saying to us—

Mr. Broadbent: Get equality.

Mr. Johnston: Bear in mind, Madam Speaker, the point I made at the outset. We are talking about female dominated groups; we are not talking about women. I resent very much any accusation that I am a sexist. I would point out to the hon. member for Oshawa that I happen to be the father of four daughters and have a vested interest in—

Some hon. Members: Hear, hear!

Madam Speaker: Order, please.

MINISTER'S POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, that was most touching. I happen to be the daughter of one—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: Only a minister who seemed proud of the fact that he had four daughters could laugh at an obvious slip.

Some hon. Members: Oh, oh!

An hon. Member: Your "slip" is showing.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I should like to say—

Madam Speaker: Order, please. I hate to break up the good spirit of the House but we must have question period.

Mr. Broadbent: The point is clear, Madam Speaker, that the government believes in equality for women only if it does not cost the government a cent. That is the point. The minister made that clear in his answer. I would like him either to confirm or deny that. As I understood him, he said that it would cost money to provide equality. Is he saying to the women of Canada that they cannot expect equality from Liberals if it means the government must pay for it?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I was not laughing at the hon. member's "slip".

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Johnston: I simply want to point out that the hon. member does not understand the issues at all. With respect to the proposals which we made, we have attempted to increase salaries in the female dominated groups in amounts averaging 13.8 per cent and 35 per cent in the first half of the agreement.

• (1430)

I think that was a very generous offer, Madam Speaker. It has nothing to do with the marketplace, I might add. It has to do with trying to resolve the difficulty of having subgroups and 22 pay zones with 13 levels of pay spread right across this country of which some are female dominated, namely three, with four being male dominated. It has nothing to do with the equality of women, because in each of these groups there is a very substantial male representation. In the largest group it is one third male who will benefit also from this increase; in another group it is 50 per cent male, and in the other group, as I mentioned, it is 35 male and 36 female. I can hardly see how the hon. member for Oshawa can make any accusation with respect to discrimination against women in the proposals we have made.

* * *

INDUSTRY

RECOMMENDED REDEPLOYMENT OF UNEMPLOYED

Hon. John C. Crosbie (St. John's West): Madam Speaker, it is a pleasure to have ladies go before gentlemen in the question period.

Some hon. Members: Oh, oh!

Mr. Crosbie: My question is for the Minister of Industry, Trade and Commerce who has been "Olsonated". At page 37 of the Olson memorandum to the cabinet the major recommendation is this:

> —the redeployment of Canada's human resources from areas or industries with low rates of productivity or returns into resource or resource-based and high productivity and high technology industries or areas.

That is the main recommendation; in other words, to shift people from areas with high unemployment to other areas. Is this the government's final solution to the unemployment problem in provinces such as Newfoundland, regionally deprived provinces with as high as 17.8 per cent unemployment? Is it the government's policy to move the people from there, whether they wish it or not?

Does this new policy explain the fact that DREE assistance has been cut back 50 per cent in Newfoundland? Is this the explanation for the cutback in transportation assistance? Is this why the minister would not give a grant to the St. John's dockyard when he gave $40 million to Vancouver, grants to Halifax and Saint John, New Brunswick? Is this the minister's final solution to the problem of regional deprivation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, first of all in the premise of my hon. friend's question he in effect admits that what he is quoting

from is not a statement of government policy. He talked about somebody's alleged proposal to cabinet.

Second of all, Madam Speaker, in my hon. friend's own question he gives the answer to what he is trying to assert, that it is not correct that this government is working in a way that is adverse to the interests of the Atlantic provinces in general, and Newfoundland in particular, because he himself in his question put forward a range of announcements we made to enhance the economic development of the Atlantic area.

We are also taking steps to enhance and expand the economic base of the province of Newfoundland through a number of measures, one in particular being what we are doing to bring about the development of the offshore resource area. On August 27 I announced the federal government's program to ensure to Canadian workers and companies in Canada a full and fair opportunity to take part in those projects, and this will mean a whole host of opportunities for workers in Newfoundland, something my hon. friend did not bother to think about in the fortunately brief period he was in office.

GOVERNMENT FUNDING FOR PULP AND PAPER INDUSTRY

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce whose answer to the hon. member for St. John's West indicates why he is the weak sister in cabinet.

Recently Cal Knudsen, the chairman of MacMillan Bloedel Ltd., reported that three B.C. newsprint producers are spending about half a billion dollars of private capital to build three newsprint machines. Mr. Knudsen, whose company has just laid off 1,400 workers, reported that these new machines will start up at low operating capacities caused in part by government funded expansion elsewhere in Canada. Since the cabinet document referred to by hon. members specifically underlines the need for a "good climate" for private capital investment, why does the government continue to rain on the private sector's parade by funding competitive projects? Why should taxpayers pay for projects which may put themselves out of work?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the hon. lady's question demonstrates why it is said that when Conservatives are asked to form a firing squad they take their guns and form up in a circle. My hon. friend from Newfoundland has just complained that this government is allegedly not doing enough to enhance the economic development of eastern Canada. His colleague is saying in effect that we are doing too much.

I do not think there is in any way anything wrong with working co-operatively with the industry and the provinces to help bring about the modernization of the pulp and paper industry in this country generally, and in eastern Canada particularly, because we have said that we are also willing to discuss a similar program with the western provinces and industry. For her to say what she is saying, reflecting on the very great and sound achievements for the pulp and paper modernization program in its present form, it shows why, instead of making the contribution the Conservatives should to national unity, they are doing just the opposite.

DOCTRINE ESPOUSED BY FORMER LIBERAL MINISTER

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce.

Some years ago a prominent Liberal by the name of Walter Gordon, who is widely known as the philosophical mentor of the minister, propagated the odious doctrine that the federal government should move people out of Atlantic Canada to the industrial centres of the country, rather than help create opportunities for jobs in their own region. This top secret cabinet document on federal economic priorities for the 1980s, which I have in my hand and which the minister has not repudiated, calls for "a large-scale shift of people from areas with low rates of productivity to high-productivity areas of the country." Will the minister rise to his feet now and assure the House, and through the House the people of Atlantic Canada, that he will personally fight against the federal government's declared goal of resurrecting the odious Walter Gordon doctrine?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it is not the declared role of this government. In fact the evidence demonstrates that we have been working to increase job opportunities in every part of the country, and we have certainly been doing this with respect to Atlantic Canada. This is demonstrated by the fact that the most recent figures show that the population of Atlantic Canada has gone up, the first time this has happened in many years, and it has gone up because of the work we have been doing through federal government policies to support private sector activity and to create the jobs and the environment which has brought people back to Atlantic Canada, something they would not have thought of under Conservative policy.

* * *

AUTOMOTIVE INDUSTRY

LOCATION OF VOLKSWAGEN PLANT IN ONTARIO

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is addressed to the same minister. Volkswagen decided to locate in Barrie, Ontario, at no federal cost other than duty remission which would have been granted anywhere else in Canada. The minister, by his interference, and in conjunction with his Quebec cabinet colleagues, pressured Volkswagen to locate in Quebec, thus the company nearly went to the United States. Only a $9.2 million Ontario grant saved that plant. Does the minister realize he has no cabinet clout left, that he has created unnecessary tensions between Ontario and Quebec, and that by his actions the Volkswagen incident has not gone unnoticed but has damaged future foreign investment in this country?

Will the minister now admit to this House that he has no real industrial strategy and, again as my colleagues have said before, will he resign, taking his government interference with him?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): As I said in the House on July 6, Madam Speaker, the duty remission program sought by Volkswagen meant a contribution from taxpayers all over Ontario and all over Canada in the millions of dollars. In fact, now that we have announced the actual program, it is clear that the additional contribution from taxpayers amounts to some $10 million a year on top of the existing duty remission from the existing program, of $15 million. I say that under those circumstances it is the duty of the government to make sure that all suitable sites were looked at before a final decision was made to grant this duty remission program, certainly in terms of suitable sites in areas suffering high unemployment and slow growth. If we had not been willing to do that then we would not have carried out our responsibility to the taxpayers and to all the people of Canada.

• (1440)

It so happens that without the decision we made for this duty remission program, that plant would not have been located anywhere in Canada and all of Canada would have lost its substantial economic benefit. It is our efforts that brought this to Canada, not the dithering of my hon. friend.

* * *

THE ENVIRONMENT

DIOXIN POLLUTION OF LAKE ONTARIO

Mr. Neil Young (Beaches): Madam Speaker, my question is to the Minister of the Environment. Last week the minister confirmed that higher levels of dioxin had been found in Lake Ontario. The minister must recognize by now that dioxin presents a serious health hazard when it is consumed. The minister also indicated that he would be meeting with his counterparts from the government of Ontario to discuss joint strategy in an attempt to solve this problem. Has the minister done that, and when can Canadians expect to receive some concrete action from the minister?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, the hon. member's question would elicit a complicated answer. There has already been a considerable degree of action. The dioxin problem is certainly not a new one. We have acted in co-operation with a variety of groups, particularly in relation to possible legal settlements in relation to the Hooker chemical plant, a site which we believe may be the cause of the entry of dioxin into the Niagara River system. We have supported those groups both with information, with expertise with witnesses, and in some ways with financial assistance. It is not by any means a new concern. It is a concern on which we have already acted.

It is not entirely clear whether dioxin levels are increasing. The sophistication of our detection techniques has increased to the extent that we are now able to detect traces of chemicals and poisons that we would not have been able to trace in the past. The evidence we have so far is that dioxin levels are diminishing.

As a result of new information we have, we feel there is a new situation which requires the co-operation of the province of Ontario with the Government of Canada in making representations to the United States and also in setting new levels and new standards in relation to the Niagara River. We have already begun that process by meeting with private and public action groups, those who are most concerned, and in a few days we will be meeting with officials of the government of Ontario.

REQUEST FOR ESTABLISHMENT OF ALL-PARTY COMMITTEE

Mr. Neil Young (Beaches): Madam Speaker, my supplementary question is also for the Minister of the Environment. I would be the first one to agree that it is a serious problem, but the minister does not seem to be taking the problem as seriously as most people are. In light of that, would the minister agree to setting up an all-party committee of this House to investigate the dioxin problem, which can report back to the House so that we can deal with the matter effectively?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, I really cannot comprehend the misinformation in the hon. member's mind when he says that we have not been taking this very seriously.

Mr. Young: That is in *Hansard*. You made the statement last week.

Mr. Roberts: If the hon. member would look back at the record, he will discover that over the past 18 months we have been in the lead in undertaking research in the Great Lakes waters in relation to this matter. It was a result of the actions of the Department of the Environment that the dioxin levels, which had escaped detection in the past were detected. It was a result of our scientific work that this problem was first brought to the public's attention. And it is a result of the efforts we have taken over the past 18 months that we have been able to bring together the various groups and governments in a concerted approach to the American government. The hon. member is simply talking through his hat when he says we have not been active in relation to this problem.

Mr. Young: You are the one. You do not know.

Mr. Roberts: The hon. member should know the facts better than that.

[*Translation*]

COMMUNICATIONS

QUERY RESPECTING PASSAGE OF FREEDOM OF INFORMATION LEGISLATION

Mr. David Berger (Laurier): Madam Speaker, my question is directed to the Minister of Communications. A number of my constituents are following very closely the progress of the freedom of information legislation which deals with the access to documents or files concerning the persons named therein and which are now unavailable to them. Could the minister tell us whether the bill now before a committee of this House will be passed at third reading by Christmas?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I wish to thank the hon. member for his question. Obviously, a bill on access to information is a very important matter. As the hon. member pointed out, the bill is now before the Standing Committee on Justice and Legal Affairs of the House. I expect the committee will finish its consideration of the bill as soon as possible, and I share the hon. member's hope that the bill will be enacted before the Christmas recess.

* * *

[*English*]

TRADE

EFFECT OF GATT ON CATTLE PRODUCERS

Mr. Arnold Malone (Crowfoot): Madam Speaker, quite by coincidence I have a question for the Minister of Industry, Trade and Commerce. Since beef producers across Canada are losing on the average more than $100 per calf compared to prices one year ago, and because the most important factor leading to that decrease has been as a result of mistakes in information and judgment by the Canadian negotiators responsible to the Minister of Industry, Trade and Commerce at the last round of the General Agreement on Tariffs and Trade at Tokyo, how does the minister intend to compensate for his errors and reflect proper justice to Canadian cattle producers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in any negotiations there are aspects one can look upon very favourably, and there are other aspects that are open to question. I do not accept my hon. friend's premise. Even though I was not the responsible minister at the time, I think that on balance the results of the GATT negotiations were a good deal for Canada generally.

If I am not mistaken, the confirmation of the results of the GATT negotiations was in the hands of the hon. member for St. John's West when he was minister of finance. I suggest that the hon. member for Crowfoot direct his question in caucus to the hon. member for St. John's West.

AUTOMOTIVE INDUSTRY

SITUATION IN WINDSOR, ONT.

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the minister responsible for industry, trade and high interest rates.

Some hon. Members: Oh, oh!

Mr. Clark: They will let you speak next year, Cousineau.

Madam Speaker: Order, please. I believe the hon. member should address the minister by his proper title.

Mr. Jelinek: Madam Speaker, the commissioner of finance for the city of Windsor, Ontario, Mr. E. A. Agnew, today confirmed that the city of Windsor, with an unemployment rate of 11 per cent, can no longer afford further capital expenditures as a result of the government's high interest rate policies and the dismal performance of the automotive industry, for which the minister himself is responsible.

Because the policies of the Minister of Industry, Trade and Commerce have caused unprecedented unemployment in Windsor and across Canada, unprecedented bankruptcies across Canada and in Windsor, and unprecedented hardship in Windsor and across Canada, as the Member of Parliament from the Windsor area how can he, in view of these facts—and they are facts confirmed by the commissioner of finance for Windsor—justify continuing to represent the government as a cabinet minister and to represent Windsor as a member of Parliament—I repeat in view of his dismal failures in his responsibilities?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I want to remind my hon. friend, as I said in an answer a few moments ago—he should have got the copy when they were passing around the questions before question period—that interest rates have gone down some 3 points since the highs of August. We all hope and anticipate that there will be further progress.

Mr. Crosbie: There weren't any high interest rates before you came.

Mr. Gray: The chief problem at the present time facing the Canadian automobile industry is the weakness of the American market for automobiles caused by economic policies which my hon. friends would love to put into effect if they had the chance. As I have said, and I will say it again, one reason that I am very active in defence of my constituents and the Canadian people is that I do not want to let them have the chance to put those Reaganite economic policies in place.

Finally, I know the people of Windsor remember, although my hon. friends do not, the work that I did on behalf of the government to maintain the thousands of jobs at Chrysler plants in Windsor and at Chrysler affiliates across Canada through our arrangements there, and the designation of Windsor and other communities under the Industry and Labour Adjustments Program. I am very happy, whenever the time

comes, to put my efforts and those of the government to the test in Windsor.

• (1450)

An hon. Member: Resign!

Mr. Gray: I know that the results will be the same as in past—

Madam Speaker: Order.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

QUERY RESPECTING RELOCATION OF WORKERS

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, for the less favoured areas of Canada, such as the province of New Brunswick, it has been confirmed now that the policies of this government are transparently favouritism toward areas of Canada other than those less favoured areas.

An hon. Member: What do you mean?

Mr. McCain: I would have to say, Madam Speaker, what this means is that the thought process of—

Some hon. Members: Question.

Mr. McCain:—the thought process of the Liberal inventors fossilized around 1957 under the Hon. Walter Gordon.

Some hon. Members: Hear, hear!

Mr. McCain: Does that mean there will be less equalization money, less money for cost-shared programs to New Brunswick, and is that the vehicle by which it will compel people to move, and subsidize their movement? My question is to the Minister of Industry, Trade and Commerce.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend, in his premise to the question, is completely out to lunch. The approach which we take to the development of New Brunswick is exemplified by projects such as the Mitel plant brought about through the efforts of this government, meaning close to a thousand jobs in a high technology area, and efforts like the project I announced earlier this week to bring about the expansion and modernization of the Saint John Shipbuilding and Drydock Company which will bring hundreds of jobs directly and a lot more indirectly to the New Brunswick area to an industry that has great promise in terms of offshore development.

This is the approach we are taking, exemplified by action which will mean more jobs, high skilled and high technology jobs in the province of New Brunswick. It is something I am sure my hon. friend and his party would not have been able to do in the unlikely event that they had continued in office.

METRIC CONVERSION

SUGGESTED PENALTIES FOR FOOD STORE OWNERS

Mr. Bill Domm (Peterborough): Madam Speaker, a 20-page document leaked to me today confirms that the government intends to jail food store owners who refuse to sell or advertise their products in metric units.

My question is to the Minister of Industry, Trade and Commerce. This document also confirms that store owners face heavy fines and confiscation of weighing equipment. Will the minister, who is directly responsible for the Metric Commission, stand in this House today and say that he is permitting this to occur, or will he intercede on behalf of the business community in Canada and rescind the order in council that makes this possible?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I do not share the pessimistic view taken by the hon. member. We know perfectly well on this side of the House that the Canadian business community is a responsible one, and that when we were developing our metrication policy we received the co-operation of the private sector which assisted us in setting up the schedule for its implementation. We are convinced that retail grocers, like all other representatives of the various sectors of the economy, will be able to follow the guidelines we have established in that regard.

* * *

[*English*]

LABOUR CONDITIONS

ANNOUNCEMENT OF LAY-OFFS BY BLACK AND DECKER CANADA INC. IN LEEDS-GRENVILLE CONSTITUENCY

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce and it arises from a few words in a statement just issued by R. H. Campbell, President of Black and Decker Canada Inc., located in Leeds-Grenville, announcing the lay-off of 150 people. Those words were:

> Orders have fallen due to weakening consumer demand, declining housing starts and retailer-wholesaler reluctance to invest in inventory—the direct result of the current soft economy in general, and high interest rates in particular.

Will the minister comment on this statement by Mr. Campbell of Black and Decker Canada Inc. and indicate when the government will stop sitting still while thousands of people lose their jobs and inflation gallops on and interest rates remain disastrous? When will the government implement measures to deal with these serious lay-off problems, rather than have us sit here and listen to him boasting about his accomplishments, which are very much in doubt?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): I would like to thank my hon. friend and his colleagues for giving me an opportunity to put the facts forward

about my accomplishments and those of my colleagues on this side of the House.

Some hon. Members: Hear, hear!

An hon. Member: We are still waiting for your resignation.

Mr. Gray: If I am not mistaken, Black and Decker is one of a number of foreign-controlled companies in this country which has followed an example which I think should be multiplied, that is, to operate on a world product mandate basis for specific product lines. I think the problem my hon. friend has outlined in his question is not solely related to the Canadian economy but to the American and world economy.

We certainly have to improve the situation, and this is what we are doing. The Minister of Finance has talked about efforts he is making which we look forward to being reflected in his budget.

Certainly the Black and Decker situation is linked not solely to the Canadian situation but to that of the United States economy and world economy. The situation in the United States economy is linked with the policy my hon. friend and his colleagues on that side of the House would desire to put into place if the Canadian people ever gave them the chance, which I do not think they will.

* * *

[*Translation*]

INDUSTRY

INQUIRY WHETHER MEASURES WILL BE TAKEN TO INCREASE FOOTWEAR PRODUCTION

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the hon. Minister of Industry, Trade and Commerce. As he seems to have "warmed up", we must take advantage of it.

Not too long ago the Canadian footwear industry made representations to the minister with a view to establishing a policy that would protect and ensure the survival of the industry in Canada and also provide opportunities for increasing production. In view of the prevailing economic situation, could the hon. minister tell us today in the House whether he intends to give a positive reply to the Canadian footwear industry and whether the desired increase in production could be realized next year?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are in the process of completing our discussions in cabinet on our policy for the footwear industry. I am sure we shall be able to issue a statement in the very near future.

[*English*]

UNITED NATIONS

CANADIAN PREPARATIONS FOR SPECIAL SESSION ON DISARMAMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is directed to the Secretary of State for External Affairs. In light of the general fear of a nuclear war and the fear of a new arms race between the super powers, and the fact that the world armament market into the Third World is at its height, and the fact that Canadians and millions of people around the world are protesting against this, and lastly the fact that members of all parties in both Houses have a very deep concern about the question of disarmament, would the minister tell this House how the government is preparing for the special session on disarmament to be held at the United Nations next June?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Government of Canada has always been one of the leaders in the search for world disarmament. We intend to continue in our devotion to that cause.

As the hon. gentleman correctly pointed out, there is a special session on disarmament which will be held under United Nations aegis next May and June.

We have begun our preparation for that session and we will be consulting widely with the Canadian public. We hope to receive advice also from the standing committee in Parliament. We will certainly continue our traditional policies, including the policy which the Prime Minister enunciated several years ago, of suffocation.

FUNDS TO ESTABLISH PEACE INSTITUTE

Mr. Bob Ogle (Saskatoon East): I am happy to hear that the minister has some positive suggestions to put forward. I am sure he will be open to other suggestions which will come from various parts of this House, including the Standing Committee on External Affairs and National Defence. Would the minister be able to instruct the government, as a symbolic step, not to buy the 138th fighter airplane, but use the funds for that last fighter to set up a peace institute in Canada and fund university chairs and foundations which would study the causes of war and underdevelopment, and how we can maintain peace?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we on this side of the House certainly share our hon. friend's devotion to the cause of disarmament. We will do everything we can to advance it on a mutually acceptable basis and to encourage peace as well as peace institutes.

• (1500)

Our policy, however, is not a single track policy. It is not one of disarmament alone because, as the hon. gentleman well knows, to be effective disarmament has to be a two-way street. Therefore, until such time as disarmament is mutually agreed

to by the great powers, it is necessary for us to maintain our support for our NATO alliance, and part of that obligation is to equip ourselves adequately with aircraft. It is that obligation which we are fulfilling. One cannot be simple-minded about the search for peace. Peace is not attained only by protestations of peace; it is also attained by being strong.

* * *

TRADE

IMPORTATION OF PLEASURE BOATS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In a response to an Order Paper question I see that in 1978 Canada imported $31 million worth of pleasure boats, and in 1980 $46 million worth. Canadians can build boats. Why has the minister allowed this to happen?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend is asking a remarkable question for a member of a party which is supposed to be in favour of the private sector moving untrammelled by government intervention. The hon. member's question is quite contradictory to the thrust of his leaders on the front bench.

One has to look at this issue in terms not only of imports but also of exports. We have some very strong Canadian domestic and export markets, and one has to look at that in the light of those export figures. I will be happy to go into the question further and get back to my hon. friend, if he wants to give me specific details of the situation concerning him.

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AVIATION INDUSTRY

McDONNELL DOUGLAS PLANT LAY-OFFS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is also directed to the Minister of Industry, Trade and Commerce. He has been telling us today about all the jobs he has created. I would like to ask him why, after every meeting he has had with the United Auto Workers of McDonnell Douglas, another 500 are laid off. Has he taken their suggestions and examined them—I refer to such suggestions as work sharing—and is he prepared to take any action on those very worth-while suggestions?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are in fact examining the suggestions of the UAW with respect to the McDonnell Douglas situation, and specifically with respect to work sharing. I am working and discussing the situation with the Minister of Employment and Immigration to see if we have a federal program which can provide a basis for that approach.

Mr. McDermid: He is more surprised than anyone in the House. Look at him. He will never talk to you about it.

Mr. Gray: I want also to say that some of the other work we have done with McDonnell Douglas in relation to the CF-18 has prevented the number of lay-offs from being even greater, even though they are caused by an almost total decline in sales in world markets of the McDonnell Douglas civilian aircraft for which the plant is making wing components. We are very concerned about this. We are working with the company to try to find other types of work to be done in the plant. We are attempting not just to stabilize employment there but also to bring people back to work.

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ENERGY

RESULTS OF DOME PETROLEUM EXPLORATIONS IN BEAUFORT SEA

Mr. Jack Burghardt (London West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday evening Dome Petroleum reported on its Beaufort Sea exploration results which the company states are, and I quote, "positive confirmation of major oil potential". Could the minister comment on these exploration results and on what implications they might have on Canada's goal of oil self-sufficiency by 1990?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, Dome Petroleum released figures yesterday which are indeed very encouraging. They are public. Such forecasts seem to indicate the possibility of large oil reserves which would be available on a commercial basis in the years to come. I want to mention that in our forecast of oil self-sufficiency by 1990 we have not provided for any particular reserve in the Beaufort Sea or offshore, so any announcement like the one made yesterday—and others will come in the future—indeed ensures that we will have self-sufficiency in this country by 1990.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Tuesday, November 3, 1981, and finds that they meet the requirements of the Standing Orders as to form.

PRIVILEGE

MR. NIELSEN—RIGHT OF COMMITTEE CHAIRMEN TO ANSWER QUESTIONS IN HOUSE—RULING BY MADAM SPEAKER

Madam Speaker: I would like to rule today on a matter raised as a question of privilege by the hon. member for Yukon (Mr. Nielsen). On October 28 last the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) raised a point of order, and subsequently the hon. member for Yukon raised a question related to that as a question of privilege, and I intend to deal with both at the same time.

For the benefit of hon. members, I think I should review the circumstances as recorded in *Hansard* for Wednesday, October 28 at pages 12267 to 12269. In the first instance hon. members will recall that the hon. member for Annapolis Valley-Hants (Mr. Nowlan) asked the hon. member for Northumberland-Miramichi (Mr. Dionne), in his capacity as chairman of the Standing Committee on Transport, the following question, and I quote:

—can the chairman inform this House on the status of earlier discussions to convene the committee? Does the hon. member not think it would be a positive step to widen the terms of reference of the committee to include the Atlantic coast and British Columbia, rather than having only Ontario and Quebec?

The President of the Privy Council (Mr. Pinard) rose and gave an answer to the question. Following that the hon. member for Annapolis Valley-Hants was given the floor for a supplementary question which he directed either to the President of the Privy Council or the chairman of the standing committee, and a reply was given by the President of the Privy Council.

Shortly thereafter the Right Hon. Leader of the Opposition (Mr. Clark) asked the following question:

Will the chairman of that committee tell us whether he has asked for a reference of the VIA Rail question to the standing committee—

That question was a bit different from the question I quoted a moment ago, and I think hon. members will want to note that. As noted in *Hansard*, both the chairman of the committee and the President of the Privy Council rose, and the latter replied.

On a supplementary question the Right Hon. Leader of the Opposition repeated his question, at which time the President of the Privy Council, followed by the chairman of the committee, responded.

Upon reviewing the circumstances I feel that there are several points of procedure which must be clarified. There can be no doubt, as numerous precedents indicate, that questions to chairmen of committees are in order when such questions relate to procedural matters. Hon. members will appreciate, however, that the scope of questions permitted is quite narrow; for example, dealing with whether a meeting is to be held, a committee will be convened, the time of meetings and other questions of a similar nature. I refer hon. members to Beauchesne's fifth edition, Citation 366, and to *Hansard* for January 15, 1971, page 2442; March 16, 1973, page 2293; and May 20, 1970, page 7126. Those precedents are quite similar to the matter we are discussing today.

It therefore follows that if chairmen of committees may be asked questions, then they have the right to answer questions—as well as the discretion; that goes without saying.

On this point Erskine May, in his nineteenth edition at page 327, states:

—a member may not seek by means of a question to the chairman to interfere in the proceedings of a select committee by suggesting a particular subject for inquiry (although such subject fell within its order of reference).

If we were to apply this reference to the situation last week, it appears that the questions were asked in such a manner that they could have been construed as dealing with House business in general and, as I indicated on that day, if the President of the Privy Council wants to interpret the question as being related to the business of the House, it is not for the Chair—that was confirmed by some hon. members—to say that it is not related to the business of the House. As it happened, however, two members stood to reply, and I indicated last Wednesday that I did not choose between them, but in each case one member seemed to defer to the other. At any rate, both hon. members responded which, from what we can read into the questions asked, seemed to be the desire.

Therefore, I must rule that the proceedings of last week's question period relating to the questioning of a committee chairman on the business of the committee he chairs did not infringe upon our accepted parliamentary practice and, consequently, I find there is neither a point of order nor a question of privilege but a reason to clarify the status of that particular question.

Hon. Erik Nielsen (Yukon): Madam Speaker, there is an ancillary point which you might wish to consider with respect to that whole situation. The practice has been for the Chair to recognize members on this side of the House by their ridings when they rise. Indeed, the backbenchers on the government side of the House are recognized in the same fashion by the Chair. However, my recollection is that when ministers rise, the Chair does not specifically recognize the minister by name.

● (1510)

I submit there may be a dangerous practice arise where instead of the Chair recognizing the minister by his office, the operators of the sound system are invading—and I say that with no derogation intended—the prerogative of the Chair. When a minister rises, the operators of the sound system are going to activate the microphone. Because a minister is standing in the House, the operators of the sound system are going to activate that microphone before activating the microphone of a private member.

I strongly suggest to the Chair that consideration be given to adopting the practice of recognizing ministers by their office. If that practice would have been followed, the choice would have had to be made by the Chair in recognizing the question directed toward the chairman.

I also have a brief point of order to direct to the President of the Privy Council, who last Thursday—

Madam Speaker: Order, please. Could I reply to that before the hon. member raises the point of order. I will recognize him immediately after.

I am very reluctant to follow the suggestion which the hon. member is now making. The only kind of intervention the Chair could make in the circumstances would be to say to a minister or chairman of a committee: "You may not answer that question." That is the only kind of intervention I could make. The microphone operators would of course follow if I interfered and indicated that such a person in the House may not be authorized to answer a question, but rather another one.

I think bringing in the microphones at this point is not terribly helpful. I would certainly think twice before changing the long-standing custom of this House of ministers rising to answer if a question is addressed to them. However, they do not always rise when a question is addressed to them. Another minister may rise because he feels it is his responsibility. I think that breaking that custom should only be done after very serious reflection.

I do not think the microphones are terribly relevant to what happened the other day. If I had felt I could intervene because I could interpret the question, and the problem was that the question had a double interpretation, it was not up to the Chair to interpret the meaning of that question. Therefore, I had to leave it to the relevant persons to determine if they wanted to reply or not.

In this case both replied. In a sense, everyone was satisfied because the House got a reply from the President of the Privy Council, who felt he was answering with his responsibility for government business. The chairman of the standing committee answered because he felt that the question, the one posed by the Leader of the Opposition, was more specific and he could answer it, and he did. Everyone was satisfied. I think we should wait until another incident occurs to see whether there is a problem with the microphones. At this point I am reluctant to change the custom.

I will now recognize the hon. member on his point of order.

Mr. Nielsen: Madam Speaker, the whole point is that the selection was not made by the Chair but by the operators.

Madam Speaker: In answer to the hon. member for Yukon, I feel the selection was not made by the operators of the microphones but was made by two people on the floor of the House. They decided to answer the question. I do not feel that the microphone operators had a major role in this particular incident.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I do not want to prolong the matter of the microphones nor would I raise any question on a matter on which you have already decided. I have been seeking to review the record of *Hansard* in light of your statement after your decision that both members on the government side of the House, the chairman of the committee to whom the question was directed and the President of the Privy Council (Mr. Pinard), had the right to speak. The House will recall that a private member, the hon. member for Northumberland-Miramichi (Mr. Dionne), was allowed to speak only after permission to speak was given to him by the President of the Privy Council. It was at that point the President of the Privy Council took his seat.

Madam Speaker: The Leader of the Opposition is really discussing the ruling. That point was considered in my ruling. I apologize, but I cannot hear the right hon. member on that.

Mr. Nielsen: Madam Speaker, I just want to say that after reading your remarks in *Hansard* I want to serve notice now that I may raise a further question of privilege dealing with this whole question of the electronic selection of who is going to be heard and who is not.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, last Thursday the President of the Privy Council indicated the business for Monday, Tuesday and Wednesday of this week, but was reluctant to indicate the business for Thursday and Friday. If Bill C-48, the Canada Oil and Gas Act, continues today we are in a position of not knowing what the business of the House will be for tomorrow. I wonder if the President of the Privy Council would at least tell us today one more day's House business so that we can do some preparation for tomorrow.

[*Translation*]

Mr. Pinard: Unless otherwise notified, Madam Speaker, tomorrow we will continue to deal with Bill C-48.

* * *

[*English*]

PRIVILEGE

MR. COSSITT—INFORMATION PROVIDED IN WRITTEN ANSWER ALLEGED FALSE

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question of privilege arises from material referring to myself and appearing in the third report of the commission of inquiry concerning activities of the Royal Canadian Mounted Police, commonly known as the McDonald commission.

I realize a member is required to bring a question of privilege to the attention of the Chair immediately on becoming aware of it. A while ago, Madam Speaker, I advised you in my written notice that although this report was issued some time ago, only late yesterday did I have the opportunity to read as far as page 341 of the third report and discover what I believe is a clear question of privilege appearing therein. I can only hope, Madam Speaker, that you will take my word as an hon. member of this House that, had I known about this sooner, I would most definitely have raised it before now.

The section of the McDonald commission report to which I refer deals with Question No. 2,332 placed by myself on the

Order Paper of this House in 1975. It concerned allegations by Igor Gouzenko that he received no government pension from the time of his defection in 1946 until such pension was instituted by the government of the Right Hon. John G. Diefenbaker in 1962. The first part of my question as quoted by the McDonald commission was as follows:

> What are all the reasons that a government pension was not given to Igor Gouzenko from 1946 up to the time the government of the Right Hon. John G. Diefenbaker took such action in 1962?

The commission report then proceeds to quote from the answer given by the solicitor general of the time, the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). It states in part "from 1946 to 1962 Mr. Gouzenko was looked after entirely by the Canadian government." Further on page 341 of the McDonald commission's third report the following very significant words appear:

● (1520)

> We have reviewed the history of the matter carefully, as it is disclosed by RCMP files. The story, in almost every aspect, is a crystal clear one. It is not true that from 1946 to 1962 Mr. Gouzenko was looked after "entirely" by the Canadian government.

Clearly, Madam Speaker, falsified information was given to me as a member of this House. I realize, Madam Speaker, that I also must establish that a question of privilege can extend back to a previous session of a previous Parliament. I believe this is made clear both by rulings made by yourself and by your predecessor Speaker, Mr. Jerome. I also quote from the nineteenth edition of Erskine May, page 161, wherein it is

> —a contempt committed against one Parliament may be punished by another—

I refer to certain references contained in Erskine May and, particularly, a ruling given by Mr. Speaker Jerome that clearly indicates, I believe, that I have a prima facie case of privilege. These references pertain to the giving of false information to this House, in this particular case by a cabinet minister.

It is clear from precedent and previous rulings that even though the false information may have been given to the House by the former solicitor general, without his knowing that it was false at the time, nevertheless a minister must assume responsibility for what he presents in the House which indeed may often have actually been drafted by others. In this regard I refer to page 966 of *Hansard* of November 9, 1978, where Speaker Jerome states as follows:

> Nevertheless, it has been quite a generally accepted extension of that doctrine of ministerial responsibility that when serious dereliction of duty by an official of a minister takes place, the minister is expected either to assume responsibility for that in the House or, alternatively, to advise the House of the appropriate disciplinary measure which has been taken.

To sum up, Madam Speaker, I am alleging that a deliberate attempt was made to obstruct me in the performance of my duties to the extent that the minister's answer to question No. 2,332 was not drafted on precise statements of fact. The law of privilege in this regard is stated in Erskine May, page 136, nineteenth edition. This was quoted by Speaker Jerome in a favourable ruling on a question of privilege of a somewhat similar nature raised by the member for Durham-Northumberland (Mr. Lawrence) on November 9, 1978, as appearing on page 965 of *Hansard*:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt—

Shortly thereafter, Madam Speaker, in Speaker Jerome's ruling the Chair again quoted from Erskine May as follows:

> It is a breach of privilege to present or cause to be presented to either House or to committees of either House, forged, falsified or fabricated documents with intent to deceive such House or committees—

On December 6, 1978, Speaker Jerome ruled further in regard to the matter raised by the hon. member for Durham-Northumberland, and I quote this sentence:

> Even beyond the precedents and the complex law of privilege, I cannot conceive that there is any one of us who would accept the argument that this House of Commons has no recourse in the face of such an attempt to obstruct by offering admittedly misleading information.
>
> I, therefore, find a prima facie case of contempt against the House of Commons.

In conclusion, Madam Speaker, I contend that my privileges have been breached by falsified information presented to this House. Further examination of page 341 of the third report of the McDonald commission will note that not only was this the case but, also, the additional point that the answer as prepared by the officer in charge of the RCMP counterespionage branch was further falsified by others, publicly unknown at this time, before it was presented to the House of Commons by the minister.

I respectfully request, Madam Speaker, that you investigate this matter that I have just raised, including the precedents outlined in Erskine May and previous rulings by Mr. Speaker Jerome. If it is found that I have a prima facie case of privilege, I would reserve my right to move a motion that this matter be referred to the Standing Committee on Privileges and Elections.

Madam Speaker: I will take this matter under advisement. I gather from the statement which the hon. member made to me that I need to look into it at more length. In the light of what the hon. member stated in the House, I will examine the question and rule on it much later. Perhaps other hon. members would like to speak to the matter later, but I will take it under advisement.

Point of Order—Mr. Wenman

MR. YOUNG—ANSWER OF MINISTER RESPECTING DIOXIN LEVELS

Mr. Neil Young (Beaches): Madam Speaker, my question of privilege arises from the response of the Minister of the Environment (Mr. Roberts) to my question today in which he stated that dioxin levels in Lake Ontario had declined. On October 30, 1981, as reported at page 12347 of *Hansard*, the minister, in response to a question from the hon. member for Kitchener (Mr. Lang), said:

—there are, indeed, recent indications of detection of higher levels of dioxin in the Great Lakes.

Madam Speaker: Order, please. I believe the hon. member does not have a question of privilege. He is obviously debating the question. There are differences of view as to the facts, but that is part of debate. I cannot hear his comments under a question of privilege.

* * *

POINT OF ORDER

MR. WENMAN—REQUEST THAT PETITION BE READ BY CLERK

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, the practice and procedure of the House of Commons provide that we have question period, and immediately after question period we go to the Speaker's report. The Speaker reports and we deal with points of order that relate to the Speaker's report and then we move immediately to privilege. That was the procedure followed today.

I am suggesting that my point of order in fact relates to the Speaker's report and, therefore, I wanted to place the question at that time. I will, therefore, proceed at this time, but I would hope that in the future this is the course that will be followed.

At this point I would ask Madam Speaker—

Madam Speaker: Order, please. The order in which deliberations are related in *Hansard* is the order in which they are heard. I am now hearing the hon. member and his comments will appear in *Hansard* at this point.

Mr. Wenman: Madam Speaker, my point of order is that I would now ask the indulgence of Madam Speaker to allow the Clerk of the House to read the private member's public petition that has now been ruled in order and which is standing in my name as of yesterday.

Madam Speaker: The hon. member requires unanimous consent for the Clerk of the House to read the petition. Does the House give unanimous consent?

Mr. Nielsen: I rise on a point of order, Madam Speaker. I respectfully submit to you that unanimous consent of the House is not required in order to have a petition read. I submit to you, Madam Speaker, that the Chair has a discretion to grant that permission in order to have a discussion of the matter to which the hon. member is speaking.

Mr. Wenman: Madam Speaker, it is 67(8).

Mr. Nielsen: Madam Speaker, if I might—would you activate my microphone? I want to say something.

I have proven my point then.

Madam Speaker: There is a quotation from Beauchesne that has guided the Chair:

Petitions are not read at length in the House, unless by special consent.

It has been the custom of this House that only through unanimous consent has the Chair allowed the Clerk at the Table to read a petition. The hon. member referred to my discretion. I shall read to the hon. member Standing Order 67(8):

No debate shall be permitted on the report but a petition referred to therein may be read by the Clerk of the House at the Table, if required; or if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

If I recall, the matter referred to in the petition concerned a matter which, if I am to use my discretion, I would say need not be dealt with in such an urgent fashion as to take precedence over the normal business of the House. As I said to the hon. member when he raised the question of privilege previously, under Standing Order 67(8) we could, on several occasions, have urgent debate as is permitted under Standing Order 26.

● (1530)

In order to differentiate between the meaning and intent of the two Standing Orders, it must be quite clear to the Chair that the matter is so urgent as to take precedence over the normal business of the House. As several petitions were presented to the House dealing with the matter dealt with in the petition presented by the hon. member for Fraser Valley West, I do not feel I could determine that the matter is so urgent that we must hear it and have discussion on it now.

Mr. Wenman: Madam Speaker quoted two precedents. The issue at hand is whether or not the petition shall be read at this point. The precedents you quoted indicated that petitions are not read "at length". In other words, petitions may be read, possibly not by unanimous consent. If one wants to read them at length and expand upon them, it is not allowed because that would be "at length". Otherwise, either a simple majority or the discretion of the Speaker would in fact apply.

The second precedent to which Madam Speaker referred related to Standing Order 26. There is a very important difference between Standing Order 26 and a private member's public petition. I am speaking now of an order and of a vehicle which is open to private members. It is extremely important to protect the rights of private members in the House. This instrument of petition is the only almost direct, representative

way an individual Canadian has of being heard in the House of Commons. This is the difference between it and Standing Order 26. This is why it is so important that this particular vehicle be protected and be understood in our procedure.

Therefore, I ask Madam Speaker to consider the representation, perhaps over a period of time, as it relates to "at length" and the question of unanimity, as well as to recognize the valuable instrument which in fact a petition represents in the long tradition of democracy.

Madam Speaker: Yes, I recognize that that is the function of petitions. It is to allow individuals some access to the House. I am basing my decision today mainly on practice because the wording of the Standing Order in fact, I am told by the experts with whom I have studied this question, refers back to the time when the courts were not equipped to deal with matters individual citizens would like to bring before the courts and, therefore, petitions were heard in the House of Commons in lieu of being heard by the courts. Somehow the wording of the Standing Order has continued to be what it was, referring to circumstances which are not prevalent today. Therefore, the custom of the House has been to allow petitions to be presented to the House with brief statements on the part of hon. members presenting the petitions. But only through the use of unanimous consent have we allowed petitions to be read by the Clerk.

Even more important, the matter of discussing petitions, I do not know of any precedents when petitions were discussed; they might have existed. But I insist that we cannot use the vehicle of petitions, which is a legitimate one, to present the views of citizens before the House of Commons, to supersede the normal business of the House and to go into urgent debate such as would be allowed under Standing Order 26.

* * *

PRIVILEGE

MR. NIELSEN—RECOGNITION OF MEMBERS

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise at the earliest opportunity on a question of privilege.

Mr. Deans: I am seeking the floor on a point of order.

Mr. Nielsen: I am on a question of privilege; it supersedes a point of order.

I rise at the earliest opportunity to ensure that an incident is recorded in the official debates of the House which Madam Speaker did not notice because your head was bowed and you were looking at your Standing Orders and obtaining advice from your Table adviser. While you were doing that, I heard you make an inquiry of your Table adviser; you were asking for a section of the Standing Orders. I had it and I wished to assist by rising and informing the Chair of the section number of the Standing Orders. I asked that my microphone be activated. I know that the operator heard me ask because he shook his head and made a gesture of helplessness because it had to be your decision that the microphone be turned on. I know I was heard by the *Hansard* reporter because I am too close not to be heard, even without the microphone. I hope those words will appear in today's official record of the debates in the chamber because it proved precisely the point I gave notice of a few moments ago and will now be raising tomorrow.

* * *

POINTS OF ORDER

MR. DEANS—PROCEDURE RESPECTING READING OF PETITIONS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a point or order. I ask you to consider something with regard to the point of order raised by the hon. member for Fraser Valley West (Mr. Wenman). The question, as I understand it today and as I understood it perhaps a week or a week and a half ago, was whether or not unanimous consent is required for a petition to be read. I am sure Madam Speaker will recall that at that time I intervened in the discussion in an effort to understand more clearly the ramifications of one section of the Standing Orders and the references in Beauchesne at page 213. I wonder whether Madam Speaker would be kind enough to take into account when you are considering this matter further, as no doubt you will be, the references on page 820 of Erskine May's nineteenth edition, wherein there is a very succinct reference to what might be considered for immediate discussion in terms of a petition.

The question which has arisen here over the last two weeks is not whether there should be immediate discussion, but whether or not the petition might be read. But unfortunately as things seem always to occur, a confusion reigns between discussion stage, which may ultimately be allowed, and the request for the reading of the petition.

I have come to the conclusion from reading Beauchesne that Madam Speaker's ruling, although I must confess I am not entirely happy, is within the bounds of Beauchesne inasmuch as it indicates that a petition, having been presented, which is the case, and having been in order as to form, may with unanimous consent be read by the Clerk. However, I suggest that Standing Order 67(8) creates an ambiguity or confusion. I ask respectfully whether at some point in the near future Madam Speaker might give consideration to providing us with some guidance as to how these matters are to be interpreted by the House.

Madam Speaker: This is why I am allowing a discussion on this matter. I will take that suggestion and try to clarify the meaning of that Standing Order.

Point of Order—Mr. Wenman

MR. WENMAN—APPLICATION OF RULE OF URGENCY IN READING OF PETITIONS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I appreciate and await your decision on that with great pleasure. I will now move to the second part, not to the reading of a petition but in fact to the possibility of discussion. I should like to refer to Beauchesne, Section 698(1), which reads:

In case of urgency, a petition may be immediately considered but the grievances must be such as to require speedy and urgent remedy.

Based upon this ruling and upon your ruling in *Hansard* of October 21, 1981, I respectfully ask that you now rule on this matter in the only way possible because of the fact that thousands of middle class working people, working to pay our expenditures in the House of Commons, are threatened with losing their homes. Surely this should, in my opinion and in the opinions of many hon. members, constitute an urgent grievance requiring a speedy remedy.

● (1540)

I therefore submit that this housing crisis is a case where the Speaker can and must use her prerogative as an impartial arbiter, and her wisdom in determining the urgency of acting on behalf of the many private members who have presented similar petitions to this House for the people of Canada in order to bring this matter either into immediate discussion or have it referred to a committee, so that the true interests of democracy in Canada can be served.

I ask, Madam Speaker, that you use your discretion on the urgency rule.

Madam Speaker: The first point I want to make is that the petition has not been read; therefore, the House does not know what it contains and it is very hard for the House to discuss the petition if it does not know what it is all about. The hon. member did not receive unanimous consent to have his petition read. I will quote to him from Bourinot at page 239:

Petitions may be at once read and received by common consent, chiefly in order to refer them to a committee; if a member objects it cannot be done . . . but the grievance—

That is the point we have discussed.

—must be such as to require speedy and urgent remedy.

I think I have said that I am using my discretion to determine that the matter raised in the petition did not justify an urgent remedy. That is my decision, if the hon. member is asking me to use my discretion.

At any rate, the petition has not been read and therefore the House does not know what it contains. I cannot see how we can go to the second phase and have it discussed. I therefore cannot receive the suggestion of the hon. member and ask for the consent of the House that the petition be discussed, as it has not been read.

Mr. Wenman: I agree with your decision completely, Madam Speaker. The reason the petition has not been read in this House is because you must use your discretion. The petition was received yesterday in this House; it was received by you and found—

Madam Speaker: Order, please. I have said that I used my discretion and felt the matter did not justify an urgent remedy. That is really a ruling and it is the decision I have now informed the member of several times. I would ask him not to comment any further on it.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CLARK—EFFECTS OF HIGH MORTGAGE INTEREST RATES

Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise to lay upon the Table of the House of Commons certain petitions from individuals across the country who are deeply concerned about the impact of high interest rates upon their ability to keep the homes they have spent their lives acquiring.

I should say in relation to at least one of the couples who signed, Mr. and Mrs. Ray Harte of Chippawa, Ontario that it is my understanding that they have faced in the last two days, or will face shortly, the immediate prospect of the loss of their house. That speaks to the question of urgency. There is no doubt in anyone's mind that the prospect of losing a house for which they have laboured long is a matter of the utmost urgency to Canadians. It is not a matter which allows for judicial recourse; the only recourse they have is to this House of Commons. They, along with some 525 other citizens of the region of Niagara Falls and the Niagara Peninsula, have asked that I lay upon the Table one petition in their name.

In addition to that obviously urgent case of Mr. and Mrs. Harte of Chippawa, Ontario there are undoubtedly other signatories of that petition who are facing similar personal urgency in their lives.

I want to lay upon the Table a petition signed by 31 residents of the community of London in the province of Ontario; a petition signed by 13 residents of the city of Kitchener-Waterloo in the province of Ontario; 41 signatures attached to a petition from residents of the city of Stoney Creek in the province of Ontario and 235 signatures on a petition, all residents of the city of St. Catharines in the province of Ontario, many of whom, as in the case of Mr. and Mrs. Harte, are facing a situation of the utmost urgency brought upon them by the imminent prospect of losing a home for which they have laboured all their lives with an eye to maintaining that home.

Unquestionably this is a matter of great urgency to them for which no judicial remedy exists.

MR. CORBETT—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise to lay upon the Table a petition signed by some 600 residents of the province of New Brunswick and from across Canada who are adding their names to the over 13,600 names on whose behalf I have laid a petition before this House to decry the cuts in VIA Rail services. They join the thousands of citizens of this nation who nightly fall down on their knees and pray to God that justice in this country will be done and that this government will be stopped from preventing them from joining and being able to visit their relatives and families across this nation by virtue of a decision arbitrarily taken by the government.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,775, 2,724, 2,994 and 3,025.

[*Text*]

CMHC EXPENDITURES FOR ADVERTISING

Question No. 1,775—**Mr. Stevens:**

For the current fiscal year, what are the estimated expenditures of the Canada Mortgage and Housing Corporation for (a) advertising (b) free or subsidized publications (c) other information conveyed to the public?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation that as of the date this question was asked, the estimated expenditures for the calendar year 1980 are as follows: (a) $750,400, (b) $695,200, (c) $475,500.

COST OF METRIC CONVERSION

Question No. 2,724—**Mr. Beatty:**

What has been the cost of metric conversion to the (a) retailers (b) Canadian taxpayer?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned, the following response is applicable: (a) The Retail Merchants Association of Canada and the Retail Council of Canada have advised Metric Commission Canada that the cost of metric conversion to retailers to date has been minimal except for retailers involved in the three retail food scale pilot area programs. Otherwise, it has been only necessary to purchase items such as tape measures and/or metre sticks. Some additional minor expenses have been incurred by retailers for staff training, the development

of supplementary promotional materials and for extra advertising space to accommodate dual measurement units. Such costs are usually too low to justify a separate accounting system.

With respect to scale conversion in the three pilot cities, the cost of converting retail food scales was generally the most significant cost. The average cost of converting scales varied with the type of scale. Modern electronic digital scales have a built-in conversion capability and were usually converted at no charge. For mechanical scales in good condition, the cost varied from $100 to $400 per scale depending on the make, model and the type of conversion chosen. Automatic labelling and prepackaging scales are only used in large supermarkets. This type of scale was converted at a cost of $800 to $900. Individual retailers have not made detailed cost information available to Metric Commission Canada, but informal estimates based on scale population and the expenses stated above would place the cost, when spread over the population of the pilot areas, at less than $1 per capita.

The issue concerning the cost of scale conversion in the three pilot cities is complicated by the fact that many retailers chose to purchase modern electronic scales to modernize equipment and increase productivity rather than to convert inefficient and/or obsolete mechanical scales. Many scales of this type could no longer compute prices due to the changes in food costs which had increased the price per pound of food products beyond the limits contained on most scale charts. Some retailers may consider the cost of upgrading their scales as a conversion cost because it happened coincidentally. However, such additional cost would have been incurred in any case at some future date to replace obsolescent weighing equipment. It should also be noted that special federal tax and import duty concessions are in effect to lighten the cost of metric conversion of retail scales for retailers.

Offsetting the cost of new scales for those retailers who have chosen to purchase them have been the many benefits accruing to them due to scales which are significantly more productive, more accurate and result in less down time for repairs. No studies have been carried out to determine the offsetting value of these benefits but some retailers say the costs of modern electronic scales are recovered in less than a year.

(b) The cost to the Canadian taxpayer of operating Metric Commission Canada from 1971 to March 31, 1981, was $37,084,990. In addition, contributions under the workers' metric tools assistance program for the same period were $5,858,597.

With respect to the costs incurred by business and industry, the Canadian government's policy is that the cost of conversion is borne by those converting in the majority of economic sectors. Each company and organization which has implemented metric conversion has been guided by their appreciation of their own short and long-term interests. Each sector and unit of the economy has been invited to identify the opportunities for change and to bear its own costs, just as it has or will reap the benefits arising from the change. The costs of conversion are one time costs whereas the resulting benefits continue with

long term savings to manufacturers, distributors, retailers and consumers/taxpayers.

SURVEY OF GEOLOGICAL FORMATION

Question No. 2,994—**Mr. Cossitt:**

1. Did the Department of Energy, Mines and Resources spend public funds on a contract connected with "paleomagnetism of an ordovician ophiolite sequence and the intrusive dike suite" and, if so (a) what are the details, including the name of the person or firm awarded the contract (b) was the amount of the contract $21,742 and, if not, what was it?

2. What is an explanation of (a) paleomagnetism (b) ordovician (c) ophiolite sequence (d) intrusive dike suite?

Hon. J.-J. Blais (Minister of Supply and Services): 1. (a) The contract entitled "Paleomagnetism of an Ordovician Ophiolite Sequence and the Intrusive Dike Suite, New Brunswick" was awarded to Morris Magnetics of Lucan, Ontario. The work consists of the collection of rock samples and measurement of the residual ancient magnetism recorded in these rock types in order to study an aspect relating to the geological formation of the Appalachian mountain chain. It is expected that this investigation would shed light on how the Appalachians were formed and, in turn, the types of mineral and hydrocarbon deposits that could be found in these mountains.

(b) Contract value $21,742.40.

2. (a) Paleomagnetism—a study of ancient magnetization as recorded in the rocks.

(b) Ordovician—a geological period with age boundaries of 500 to 440 million years before present.

(c) Ophiolite sequence—a type of rock structure of the ordovician age (a critical period when the Appalachians were formed) that has good magnetic signals.

(d) Intrusive dike suite—a type of rock structure of a younger geological age than the ophiolite and characterized by its wall like appearance across the earth's strata.

IMPACT OF 1981 CUPW STRIKE

Question No. 3,025—**Mr. Cossitt:**

Did the government prepare studies of the impact on the economy of the 1981 strike by the Canadian Union of Postal Workers and, if so, what were the results of the studies?

Hon. Pierre Bussières (Minister of State (Finance)): I am unaware of any studies prepared by the government yielding precise quantitative estimates of the impact of the 1981 postal strike on the economy. This, however, does not means that the government was not aware of the various possible impacts of the postal strike on the one hand, and the cost of a speedy settlement under CUPW's initial bargaining position on the other.

The strike did generate losses for some sectors of the economy. However, a speedy settlement on CUPW's terms could have had a serious inflationary impact on the economy. The government sought an appropriate balance in this difficult situation. The process of negotiations between the government and the CUPW culminated in a successful resolution of the dispute which was fair to all parties concerned.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

* * *

POINT OF ORDER

MR. COSSITT—REQUEST FOR REINSTATEMENT OF ORDER PAPER QUESTION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a point of order to request clarification from the Chair. Approximately two years ago—and I could obtain the reference from *Hansard* as I have it in my office—Mr. Speaker Jerome ruled in regard to a question of mine that it be put back on the Order Paper as a result of the fact that the government had acted as Speaker of the House of Commons rather than as the government and quoted from Beauchesne in support of why it would not answer the question.

This happened again yesterday in connection with question No. 3,236 on the Order Paper which the government answered. Again the government stated that, in its opinion, Beauchesne prohibited my question. I contend it is not the government's prerogative to do that; it would be the prerogative of the Chair to rule my question out of order. I think the question should go back on the Order Paper until the Chair does rule it out of order.

The government went further, however, and said that even if the officers of the Table ignore these rules and allow the question, it will not answer it. I contend, Madam Speaker, that in effect the Table is the Speaker and that we are now in a position where we have the government criticizing the Speaker of the House of Commons. This is not permitted under our rules. The government has said, in effect, that even if the Speaker of the House of Commons and her officers are derelict in their duty, it does not care and will do what it wants anyway.

I think this is highly out of order. I would request in accordance with Speaker Jerome's ruling, if Your Honour agrees with it, that question No. 3,236 be put back on the Order Paper. It is the privilege of the government not to answer if it does not wish to, and I know that; but it is not its privilege to present a ruling from Beauchesne, as it has done a number of times in this session. It is certainly not the government's privilege to criticize the Table and the Speaker of the House. That is out of order under the rules of the House.

I therefore ask that the question be put back on the Order Paper and that the government be held in contempt and forced to withdraw its criticism of the Chair.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, there has been no criticism of the Chair nor has there been any criticism of the Table officers. It was pointed out to the hon. member that he should read Citation 363 of Beauchesne, which reads as follows:

A Minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, with no debate being allowed.

That in no way shows lack of respect for the Chair or lack of respect for the Table.

Mr. Cossitt: Read what comes after that.

Mr. Smith: It simply refers the member to that section in Beauchesne.

Hon. Erik Nielsen (Yukon): Madam Speaker, I do not wish to prolong this point. The hon. member for Leeds-Grenville (Mr. Cossitt) is absolutely correct. I do not recall the date of Mr. Speaker Jerome's ruling either, but it was that the question being resubmitted should, indeed must, be accepted and replaced on the Order Paper.

• (1550)

If you intend to rule in favour of the hon. member for Leeds, I will not make the request that you put the matter over until tomorrow when I could then have an opportunity of referring the Chair to that precedent. If you intend to rule against the hon. member for Leeds, I would ask that you put the question over. Because unlike the parliamentary secretary's interpretation of the manner in which that question was answered by the minister, I too believe the answer directly reflects on the authority of the Chair and on the integrity of the Table officers. It does not lie within the responsibility of any minister of the Crown, directly or indirectly, to deign to tell the Table what they can or cannot do, and in effect make a ruling that only you have the authority to make.

That was precisely what happened in the case that was before Mr. Speaker Jerome, and precisely what the answer in this particular instance was in respect of the question raised by the hon. member for Leeds. If you have any doubt, or if you are not going to view the submission of the hon. member for Leeds in a favourable light, I would ask that you put it over until tomorrow so I can refer Your Honour to that rather lengthy ruling of Mr. Speaker Jerome.

Madam Speaker: I certainly would want to look at the ruling because I am not conversant with the facts that justified that ruling. I would want to look at the ruling before saying anything about the question that was raised. It does seem to me that, the question having been printed in the Order Paper and having received an answer, an answer is an answer; but certainly I would not want to say that the answer is adequate or inadequate. However, I will look at the total situation, including the precedent to which the hon. member has referred.

Canada Oil and Gas Act

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 56 is acceptable to the government.

Madam Speaker: Is it the pleasure of the House that notice of motion No. 56 be deemed to have been adopted?

Some hon. Members: Agreed.

[*Text*]

COPY OF LATEST SIGNED AGREEMENT WITH ONTARIO UNDER CANADA ASSISTANCE PLAN

Motion No. 56— **Mr. Herbert:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the government and the province of Ontario under the Canada Assistance Plan.

Motion agreed to.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

Mr. Cossitt: Madam Speaker, I rise on a point of order. I suggest that it would be helpful to this House if, when the parliamentary secretary rises and says that notices of motions for the production of papers Nos. so and so are acceptable or not acceptable, he would allow time before asking whether they stand for hon. members to consult to see whether it is one of their own motions. In that way, especially if the government says it will not produce the papers, a member would have time to see if it is his motion and then ask that it be transferred for debate. I think it would be more convenient if in the future he would say: Notice of Motion standing in the name of the hon. member for such and such a riding or constituency, rather than blasting through it so quickly that nobody knows what is going on.

Mr. Smith: Madam Speaker, I will take notice of the hon. member's suggestion.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed from Tuesday, November 3, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conserva-

tion Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 25 (Mr. Wilson).

Mr. Gordon Taylor (Bow River): Mr. Speaker, we were discussing Motion No. 25 last night at adjournment time and I want to continue that discussion now.

There are major differences between a totalitarian government and a democratic government. One of the most conspicuous differences is that a democratic government has respect for private property and the ownership of that property, while a totalitarian government does not respect private property or private ownership of that property.

A very definite example of that is the communist march into the Ukraine when thousands of Ukrainian people, who loved their lands, farmed them and produced, lost that property. The communist regime took—took, extracted and expropriated—not leaving them enough even to live. That is characteristic of a totalitarian government.

A democratic government respects private property, and I want to deal with that particular point now. While in the charter of rights the present government did not include the right to own property as one of our rights, I am sure the vast majority of the people of Canada would want that right recognized, not necessarily in a charter, but as a basic principle of this country. We do have the right to own property.

With the right to own property comes the right to make decisions in regard to that property. This is the point that bothers me with this particular piece of legislation. By this legislation the government is showing no respect for the ownership of private property, and that is a serious charge. When the government can seize 25 per cent of the assets or discovery of a company and then hand them over to a Crown corporation, that does not show respect for private property.

An hon. Member: It is stealing.

Mr. Taylor: Yes, it is stealing, as my hon. friend says. It is similar to what the communists did to the people in the Ukraine when they expropriated their lands, taking more than a just or fair share. Those people were not even left enough to live on.

There are better ways of doing this and I want to suggest a better way. It is easy to criticize and I want to suggest a different method. I would hope that this government, in a democratic country, a country that has been built through basic free enterprise principles, would now endeavour to administer the country under democratic principles. This method of seizing 25 per cent simply by taking it and handing it over to a Crown corporation is not democratic, in my view. I dealt with that last night and I want now to go to another point.

We know the Crown requires money and I agree that the Crown requires a share of the development of our resources. But this share does not have to be expropriated, confiscated or stolen from the people. That is not at all necessary. The government could do in the Northwest Territories with those millions of acres something similar to what was done in the province of Alberta, and probably elsewhere in Canada, under the free enterprise principle. I hear members periodically making derogatory remarks about the Heritage Fund of the province of Alberta. I want to tell them that the Heritage Fund was built through free enterprise principles. That fund was built through the sweat of the work of thousands of people. That is why the people of Alberta value it so highly. It was built up through their own sweat and blood. How did they do this? They allowed foreign money to come in, but the foreign companies bringing in the money had to work according to the rules of the government of Alberta and the Government of Canada. Those companies did that and were able to make a dollar as well. They applied for a lease of land. If they got a lease three miles by three miles in some part of Alberta, the southeast corner, nine square miles, and the company struck oil, the government would not come along and say, "We will take that away from you."

• (1600)

What happened was that the company went to the site carried out seismic and engineering work to find out how much oil was there. The company would dig a well or two, whatever minimum number was required and production would commence in the event of an oil find. If a company wanted to keep the balance of the nine square miles, it had to pay money into the coffers of Alberta for the privilege of keeping it. However, if a company wanted to let five or seven square miles go, it could. That land would be put up for auction. Other people or companies could bid on the land. This produced millions of dollars for Alberta's coffers and it was produced by private enterprise, not by taxpayers' money. People could drill wells and if they struck oil, they knew they would have ownership of it.

What about the people's share? The companies paid royalties and these royalties went into the coffers of the Alberta government. That money belonged to all of the people of the province. This method brought the province from a have-not province to a have province. In addition, federal income taxes were paid on any taxable property or any taxable income.

That method is the orthodox method. This government could do the same thing by including in this bill a lease option of, say, nine square miles, or even 16 square miles. Drilling could take place and the federal Crown would get its share from royalties and income taxes. Parts of the nine or 16 square miles not used could be put up for auction. Why does the Government of Canada not investigate how the Heritage Fund was built up? The Heritage Fund did not suddenly come out of the sky. It came as a result of hard work and careful planning, giving everyone a chance to make a dollar and get a square deal.

Instead of doing that here, we are favouring one particular Crown corporation. Favouritism does not pay off. There will be no credibility if one continues to favour one branch of the oil industry over another. I have nothing against Petro-Canada, but why does it not stand on its own feet and make its

own money instead of trying to seize through the back door 25 per cent of the holdings of a company which used its own money?

Mr. Waddell: Its own money?

Mr. Taylor: Then the government simply expropriates or grabs its share and hands it over to Petro-Canada as a gift. Petro-Canada spent no money. All companies should pay taxes and they should be paid on total taxable income. The government decides the deductions. That is done in every other industry. No company should have special favour. All companies should pay their share of running this country, but Petro-Canada is given special consideration. It does not put up any money; it gets all its money from the taxpayers. In addition, Petro-Canada gets an asset on which a company may have spent $1 million.

What does the record say about Petro-Canada? In the public accounts of Canada we find $440 million under the heading "capital stock". The figure shown as the total amount invested is $1.444 billion. But how much of that was given back to the people of Canada? If hon. members look up the answer in the book, they will find that nothing was given back, not one penny. The system is take, take and take.

The socialists can say that the people of Canada have an investment of $1.444 billion, but let the people try to get one penny of it. The way this is being done now is wrong. There is a better way, the democratic way of doing things.

I urge the government not to carry out this totalitarian way of doing things. If it continues to do that, this government will lose whatever credibility there is left. We are a democratic government. Why do we not get our Crown money through democratic principles, accepted principles, instead of through stealth?

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, before proceeding with the specifics of Motion No. 25, I cannot resist the temptation to refer again to certain remarks made by the hon. member for Vancouver-Kingsway (Mr. Waddell), my very good friend to the left who has participated hard and long in the continuing debate on Bill C-48, mainly as the self-appointed spokesman for the native people of Canada.

Mr. Waddell: Someone has to.

Mr. Nickerson: That is right. The hon. member suggested that maybe in conjunction with Motion No. 25 we examine certain NDP amendments put forward in the name of the hon. member for Nunatsiaq (Mr. Ittinuar). I think that is a very good idea. As I understand it from the press, we will not be in a position to read NDP amendments put forward by the hon. member for Nunatsiaq in time to come. As I understand it, very shortly the Liberal Party's loss will be the New Democratic Party's gain. What the member is waiting for is an offer to join the cabinet. Judging by the quality of the people already serving in the cabinet, that move would not make that much difference.

My intention at the present time is to keep my remarks to the specifics, the rather limited scope of Motion No. 25, which addresses itself to the time at which the election should be made whether or not to transfer Crown interest into a Crown corporation. Clause 31 of Bill C-48 says that this transfer should take place prior to the authorization of the system for producing oil or gas from any Canada lands, etc. Our amendment would change that to read that "the Minister of Energy, Mines and Resources, prior to the commencement of the terms of an exploration agreement for relevant Canada lands, may direct that the Crown share be transferred to a designated Crown corporation."

I submit that there is a vast difference between those two views, or those times at which the election should occur.

In speaking to this, I would like to refer to the practice in the province of Saskatchewan. This province has a philosophy not dissimilar to that of my friends opposite and to that of my friends to the left. They, however, seem to address the problem in a more responsible manner. When dispositions of mineral rights are made within the province of Saskatchewan, the Crown, in right of that province, can elect to take a share in those particular mineral rights. They do it at the time of the initial exploration. They do not wait until a uranium deposit or some other deposit of minerals has been proven and then come in and take it over. They do it in a gentlemanly manner, as far as possible, for the government of Saskatchewan, and in the businesslike way of getting in on the ground floor.

• (1610)

If you are going to be fair with people and honest with business in the exploration field, surely that is the time when the election must be made. I do not believe it is fair to wait until the work has been done, the gamble made and paid off and then jump in. When a prospect is first granted under the terms of an exploration agreement, the Crown and the geologists within Petro-Canada should make an assessment at that time of whether or not they want to participate. If they do, that is a good time to get in on the ground floor, when the initial expenditures are minimal. If they do not wish to participate, then not much has been lost by the Crown.

I submit that participation at this early stage would have good effects because it would prevent Petro-Canada from acquiring the exploration rights to so great an area that it would not know what to do with it. The hon. member for Calgary Centre (Mr. Andre) spoke to this last evening. He cited the number of acres which would come under the control of Petro-Canada. It would be a phenomenal amount of ground. Petro-Canada's resources would be spread too thin to be able to work that area properly and put sufficient exploration money into it. If it had to be selective at the beginning of the venture and if it had the proper expertise on staff to select the most favourable areas, it should be able to work in partnership with the private partners in that particular exploration agreement to the benefit of all concerned.

I hope that hon. members on the other side would think a little and take note of what happens in the province of Sas-

katchewan; then maybe they will accept the amendment we have put forward.

I can think of many circumstances where our suggestion would be to the advantage of Petro-Canada. For instance, if they were to participate in the early stages at a location adjacent to other land holdings they have, the information which could be obtained through seismic work and other exploration methods would be invaluable to them. As I have stated, the Crown would not really lose anything by making that election at an early time.

Under Clause 32 of the bill, the Crown share, although not transferred to the Crown corporation, would remain intact until Clause 32 came into play. That comes into play when the authorization for a system of producing oil and gas from Canada lands has been granted. It is not until that time that it is mandatory that the Crown share be transferred to another owner. If it is not transferred to Petro-Canada or another designated Crown corporation by that time, it has to be disposed of under the terms of Clause 32(2).

This is the case commonly envisaged under this legislation. It is to be put up at public tender and disposed of only to those corporations which, under Clause 23 of the bill, meet the required standards of Canadian ownership. Therefore, the Crown share is not being lost to Canadians. It will have to be transferred to a corporation with a very significant degree of Canadian ownership.

Rather than Petro-Canada having all these interests over the so-called Canada lands, it would be better served to make selective acquisitions and have the remainder disposed of to Canadians by a process of public tender. I believe that is a process which is used in other jurisdictions.

The second subclause of our amendment refers to the necessity of having a proper working agreement between the Crown corporation—Petro-Canada in most cases—and its partners in any particular area under which the oil and gas rights have been granted under Bill C-48. A working agreement such as this is imperative. It should be concerned with the manner of distribution of costs. Petro-Canada should undertake, as should every other partner, to put up its fair share of the costs under an agreement which is enforceable by law.

I envisage many difficulties if Petro-Canada were to enter into an agreement and then refuse to put up their fair share of the exploration costs. There is nothing the other partners can do. They may write a letter to the president of Petro-Canada but he may well say that the Minister of Energy, Mines and Resources or the President of the Treasury Board (Mr. Johnston) will not give them any money, but maybe it will pay the partners when the government raises taxes again. The partners will be required to finance Petro-Canada's share of the exploration program, as well as their own.

This agreement should also decide, as is common practice in the industry, who is to be the operator of the program and how another one should be appointed if the partners are dissatisfied with that operator. I note that in the legislation the minister retains the overriding authority to designate, if he wants to, Petro-Canada to be the operator. In my submission, a working agreement should be established so that the operator of the program can be determined in the normal manner of the industry.

I think it is essential that Petro-Canada should be subject, as much as possible, to the normal practices which oil companies have developed over many years to facilitate joint operation.

The third subclause deals with the matter of arbitration. I am rather surprised at the leniency of my colleague who proposed this motion but I think the reason he did this is that he wanted to be so reasonable that there would be no possible way hon. members opposite could ever vote against this amendment. This subclause says that if by mutual consent Petro-Canada and the other partners are unable to come to an agreement, then this matter be decided by arbitration. It goes so far as to leave with the Minister of Energy, Mines and Resources the responsibility for drafting rules under which this arbitration might take place.

● (1620)

I think that is extending to the Minister of Energy, Mines and Resources a great deal of discretion. That is something he likes very much and something which in this one particular instance we, in order that hon. gentlemen opposite will not turn down our ideas, are prepared to extend to the minister. However, I would like to make it known that within the areas in which Petro-Canada will be operating on the so-called Canada lands, which I usually refer to as offshore provincial and territorial lands, there are already arbitration acts or, in the case of the territories, ordinances which decide how matters of arbitration should be brought to bear where matters cannot be decided by the parties through an agreement, or where within such agreements some arbitration proceeding has not been laid out, decided upon and consented to already.

It would be my opinion that when it comes to arbitration in a commercial manner such as we envisage here between several oil and gas companies and another oil and gas company which happens to be Petro-Canada, the provincial or territorial arbitration acts or ordinances should apply. However, here we are giving the minister the leeway and the discretion to decide otherwise, should he so wish.

In my opinion, the amendments we have put forward in Motion No. 25 are reasonable and sensible and would be in the best interests of the Crown, Petro-Canada and the private oil and gas industry. I very much hope that they can be accepted by the government.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I want to make just a few brief comments, if for no other reason than to echo those of my colleague, the hon. member for Western Arctic (Mr. Nickerson), who is probably in a better position than any of us in the House to make a critical assessment of the clauses of Bill C-48 we are presently debating.

He knows probably better than any of us—certainly most members of the House—what it is like in a colonial atmosphere, and I make no apologies for using the term "colonial" when I refer to our northern territories and certain territories in the northern parts of our provinces. The hon. member knows what it is like when a company, a government agency or an agency of any kind operates with special privilege or under special licence and not in competition with other companies in an area, and not as a competitor but as a regulator. He knows what it is like when a company like that becomes not only an economic entity but also assumes the role normally played by certain minor governments, such as municipal or regional governments.

What the hon. member said is not farfetched. I experience the same thing in my constituency. I could name a few single industry towns in which there are literally two classes of citizens. There are those who work for some department or agency of the government or those who work for a Crown corporation, and then there are the ordinary people who just simply happen to live there and find work in a small service industry, in trapping, in farming and so forth. They live in the same area but do not enjoy the same privileges enjoyed by people who operate with special licences in such areas.

I recall when the British Columbia government decided to build a dam on the Peace River. Engineers came. All or most regulatory provisions were waived because this project had to go ahead. Environmental conditions especially were waived, and we barged ahead. Engineers were flown in from Vancouver and all over the world to settle there and begin this project. One of the managers of the project became the municipal leader. He told the government what he required for the work force in terms of schools, paved streets and water and sewer, and there was never any problem. I happened to be the mayor of a town just 40 miles away from there, and my town was competing for many of the things which are the basic essentials required to make a town or city liveable. Incidentally, these are things that people in central Canada have been taking for granted for the last 100 years. We in the producing and new frontier areas of the west still have a lot of catching up to do. I am talking about essential municipal services. I travelled to Victoria to compete for some of the dollars that were available to put these services in place but, of course, I did not stand a chance. The people from B.C. Hydro had their connections through their minister and through the premier, and the roads were paved and water and sewer facilities were installed.

One fellow came up with a rather unique idea of building a new school. It was a brand-new concept for educating young children. It was a type of open air concept. The school was built like a tent. It is still there for anyone who wants to go and see it. What a brilliant idea! I think it was the manager's wife who had the idea and sold it to the premier. The school was built—at great cost to the taxpayer—and, of course, it did not work. The problem was that when the dam was finished and all the engineers, social planners and all those fellows with all the weird ideas left the community, the people who had settled there and lived there for the previous 50 or 60 years were stuck with paying the bill for all these schemes of extravagance.

I was taken with the comments made by my colleague, the hon. member for Western Arctic, because he knows and can tell of similar experiences. However, this probably takes us away from the motion, which really has to do with the Crown share and when such a Crown share should become active. It must first be pointed out that it is one thing for the agent of the minister to go north, to back into economic schemes, be they foreign or Canadian, and confiscate a 25 per cent share. We have heard enough about that. We are being criticized by our trading partners all over the world. Companies appeared before the committee and told us how seriously they consider this Draconian measure of simply confiscating private assets, whether they be of a fiscal nature or intellectual capital accumulated with respect to a lease in the north. However, it is quite another thing to keep that asset sitting without actually making it active.

In other words, for the moment we are nothing but a silent partner. We go in, we look at the books and see what is going on, we tell them to keep their exploration efforts going and to spend millions of dollars to do all the things which will ready us eventually for drilling and oil production. As we all know, in most cases that point is never reached. Exploration efforts result in dry holes. In many areas it is discovered that there is no potential for oil and gas.

Until the point of production the agent of the minister remains a silent partner, but it is then the desire of the minister to accelerate the production of the oil and gas because, after all, we have a deadline of 1990 to meet. The agent of the minister will have looked at the books and charts and seismic results, and then he will decide, "Here is an area we really want to get at". He then serves notice on the company that he wants to start producing, and he tells the company how many wells to drill. He sets out a time frame within which the drilling has to proceed, regardless of the company's financial position and regardless of the constraints which are usually placed on a company with respect to the market. Money has to be raised somewhere, but the minister simply says, "You will now go ahead and drill." He will not be required to ask any questions related to the liabilities of the business. Once the production certificate is ordered and issued, according to this bill the minister will then become an active partner. All the front end work will have been done, and we will know that all that is necessary is that a hole be punched in the ground. Oil will come out, and then we will become active partners.

• (1630)

You would have to put yourself into the shoes of a businessman. It is not necessary to go up north to do that. Suppose a person wants to start any kind of a business anywhere in Canada. The government may come in and say, "You can start this business, build your little store on the corner, but I will be your silent partner without contributing anything to the cost of the building or the preparation of business. You do all

the work. If you make a profit, I will become your partner. If not, you can have the business".

That is what this bill says. It is required under the back-in provision that you become a partner right away. As soon as you back in and begin your exploration work, the partners contribute equally to the cost, and share in the benefits of the work. That is what our motion proposes. It is only fair.

Unless this change is made, it will be very difficult to entice anyone to undertake exploration. They will not operate under this cloud of uncertainty that as soon as oil is found, the minister might come in and tell you to start drilling now, regardless of whether you have the resources. Only then does he come in and take his 25 per cent share.

I have spoken about this with regard to the last clause. I am very much concerned about the contingent liability the government is accumulating as a result of this back-in feature and as a result of our policy to achieve energy self-sufficiency by 1990. If you want to achieve energy self-sufficiency, you have to do exactly what the minister says he intends to do under this bill, namely, insist on and order the production of oil wherever it is found in a most expeditious way. When the government becomes an active partner after the production certificate has been issued, the government will then have to pay its 25 per cent of the cost of production. I have questioned the minister. He has not answered this question satisfactorily in committee or anywhere else.

What is the contingent liability if we are to assume that we are going to achieve energy self-sufficiency by 1990? I presume that to mean we will probably have to find a million barrels of oil a day. At present we consume roughly 1.8 million barrels of oil a day, of which we import 400,000. We know that the million barrels a day now being produced from the conventional sources in Alberta will be depleted by 1990. That means we will have to find some new areas for oil. It may be in the conventional area through tertiary recovery, which is very costly. Someone will have to pay for that production.

The minister and the government will be a 25 per cent partner. Some people have estimated the cost of regaining energy self-sufficiency in Canada to be between $300 billion and $500 billion. Twenty-five per cent of $400 billion is $100 billion, or $100,000 million. The minister has not been able to tell me to my satisfaction where he intends to get the money that is required to go into these production agreements, the liability that is associated with the order of going into production in some of these areas if the potential is there for the production of oil and gas. Is he going to go to the open market? If so, he increases pressure on the market which is already causing high interest rates and a high demand for money.

One reason for high interest rates in this country is that the government is competing on a daily basis in the money markets for funds to pay the interest on its deficit. It is prepared to pay very high interest which makes it difficult for the private sector to compete.

Is it the intention of the minister or PetroCan to go out in the private market? Is it the intention to raise $100 billion in taxes to pay the government's share for the production of this new oil? What is the intention of the government? Certainly it will not make $100 billion in profit from the service stations inherited from Petrofina. I know enough about that business to give that minister advice.

There is not that kind of money in the service station business, nor does the government have any role to play in it. It would have been much wiser for the minister to look at what the oil companies have traditionally done in the way of marketing petroleum products. They understood very well the value of free enterprise in connection with many aspects of their operation.

I know of no multinational oil company that would own its own seismic rigs. It usually hires them from private entrepreneurs. There are people who service the drilling rigs. They are entrepreneurs. Small businesses, which operate in Canada by the hundreds of thousands, rely totally on the oil sector. They have trucks, very sophisticated equipment and the know-how to service these rigs and do the seismic work. Only when the oil is produced does the multinational oil company take it into its refineries and produce all kinds of interesting products.

The oil companies have traditionally insisted on a high component of private enterprise in the distribution of petroleum products. Traditionally in Canada only a very few service stations were operated by oil company employees. They were the Esso and Chevron dealers who stood behind the bench at the junior TV hockey club. The private entrepreneur who leased the facility from the oil company made his contribution to the small community. The oil company made sure he had sufficient incentive to work a few extra hours every day and make a few extra dollars. In so doing, they were very efficient in the marketing of petroleum products.

It was only after the government, particularly this government, decided there was something wrong with franchise agreements that the oil companies reacted. They always react to government policy. They very seldom fight because they have very little to fight with. The companies said it is now the will of the government that we have company-owned service stations and self-serve stations. They created a market demand in response to a stupid government regulation.

The oil companies produced television ads. I recall the one where a fellow drives up to the pump and says to his wife, "Did you hear the pump talking to me?" That sounded very exciting. That was the end of the private service station operator. The stations now belong to the multinational oil companies, all because the government wanted that to be so. The companies were simply reacting to government regulation.

There are a lot of unanswered questions. There are a lot of things Canadians should be aware of as we pass the clauses of this incredible bill, which has earned us antagonism and an incredible reaction from our trading partners in the western world. There is a lot the government should look at. The government should look at the amendment we have proposed in connection with Motion No. 25, because it is reasonable and

the only thing that is fair, particularly if it is the intention of the government to be a competitor in the field rather than to deregulate it.

• (1640)

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

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House may now wish to consider Motion 26.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 26

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 34 by striking out lines 23 to 28 at page 20 and substituting the following therefor:

"relevant interest, provided that the Crown corporation may only vote its proportionate share."

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, Motion No. 26 is similar in intent to Motion No. 25 in that it addresses Clause 34 of the bill as amended in committee. Clause 34 of the bill as amended states that:

The designated Crown corporation to which a Crown share is transferred—

—in other words, Petro-Canada—

—is entitled to participate and vote, in proportion to that Crown share—

—and that is fine. Then it goes on to say:

—whether or not that Crown corporation has converted the Crown share under subsection 36(1),—

Amended Clause 34 says that Petro-Canada can, in fact, sit at the table as a full voting partner in an enterprise, in an exploration play, even though it has never converted that Crown share to a working share. It has never taken the step called for under Section 36(1). Common sense would dictate, Mr. Speaker, that that is a stupid situation to have in place. It is most common in the oil and gas industry for any exploration play, any well being drilled, any piece of property being explored, for that property to be handled by a consortium of companies. There is almost inevitably a group of companies participating together in the drilling of any particular well that is undertaken or any exploratory program.

The reason for this is very simple; it is an attempt to reduce risk. It is less risky for a company, for example, to have 20 per cent of five different exploratory plays than to have 100 per cent of just one play. If that well turns up dry, the money is gone; it has disappeared. On the other hand, if it has 20 per cent of five different plays, their chance of at least one of them being successful has improved. That is the common practice in the industry. It is a practice that has built up over the years and has worked very well in terms of the interest of the industry and of the economy and society in general.

Therefore, to handle these kinds of situations where you have several partners participating in an exploratory program or participating in a play, a procedure for handling these things has built up over time. Clearly someone has to be in charge of the drilling program. That company is usually called the operator. One company is the operator of that well or of a group of wells, the operator of the exploratory program. The partners sit down and assess what kind of program should be undertaken, for example, where the wells should be drilled, whether they should run a seismic first, how deep the wells should go, what kind of testing should be undertaken. All of these decisions involve the expenditure of a lot of money and, therefore, are carefully considered. Each company has its geologist, geophysicist and engineers examining the available data so that it may come up with the best recommendation. They sit down and discuss that. There are sometimes differences of opinion, in which case a vote is taken among the partners.

There are procedures in these contracts whereby if the operator is not performing to the satisfaction of the other partners they may remove the operator, or change the operator and have another company come in and take over the operation of the well. These are the procedures that are used. These procedures are time proven, well tested, appropriate and proper methods for handling these kinds of situations.

According to this bill we now have some new invention from the gurus, or the academics in the Department Energy, Mines and Resources, people who have sterling academic qualifications but no practical experience in this situation. They say that the Crown should not only steal 25 per cent of the action, as was referred to in the debate on other motions, but, as PetroCan, it should have the right to vote. Yet it will not be a partner with all of the obligations that are called for in the terms of the other partners. The members will be sitting at the table making decisions on where the wells will be drilled, how deep they will go, and so on. But as a corporation it will have nothing at stake. It will be able to influence these decisions with nothing at stake.

Common sense dictates that if you were to enter into a deal with somebody whose vote counts as much as yours, you would want to make sure he has as much at stake as you do. Only a fool would go into a consortium arrangement with people who have the same voting power as he has but under which he would have to put up the money and they would not or under which we would have to put up the property and they would not. Such a situation is absurd.

I humbly suggest to members of the government, members of the Liberal Party, that if they are committed to going this way, to having the state run everything, and to having the Crown corporation being the godfather of the north, the kind of modern day East India company looking after northern Canada, for goodness sakes, let them at least try to put in place some law, rules and regulations that will encourage good decision-making by this new East India Company that will be the godfather of all northern Canada and offshore areas. At least let them give some consideration to rules and regulations that will encourage and provide an incentive for intelligent decision-making by those delegates of Ottawa, those Crown corporation employees who will be sitting at the table making these decisions. If their corporation does not have anything at stake, they do not have anything at stake. Their decisions will not be as good as decisions made by people who have something at stake. it seems to me self-evident, Mr. Speaker. I do not know how to add to the argument. I cannot conceive of anybody coming up with an argument against the simple proposition that you get better decisions from people who have something personally at stake than you do from people who are, in essence, spending other people's money.

For that reason, Mr. Speaker, I strongly commend to the House Motion No. 26, which brings no profound change to the bill. It merely removes that language from Clause 34 which allows the Crown corporation, Petro-Canada, to vote, whether or not that Crown corporation has taken up its share. I hope that members of this House will consider that motion and will pass it so that if Petro-Canada is installed as a duchy, as the new East India company looking after all of northern Canada, it will at least be in a position to make intelligent decisions on behalf of Canada.

• (1650)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I should like to add a few brief remarks to those made by the hon. member for Calgary Centre (Mr. Andre) in relation to Motion No. 26, and to repeat his point as an introductory comment. It does not seem fair that Petro-Canada should act as a full voting partner in all subsequent development and production of a drilling lease or production license in the Canada lands unless it is acting as a full working partner in the undertaking.

To put this in context, I should like to deal quickly with three or four motions which we have been debating for the last few days, and with Motion No. 28, which is tied in with Motion No. 26, if we look at Clause 34, the relevant clause that we are attempting to amend this afternoon.

In Motion No. 21 my party put forward the notion that there should be no specific designation of the percentage of the Crown share of the total 50 per cent Canadian content requirement set out in Bill C-48. If we could encourage more Canadians to participate through private investment in privately-owned Canadian oil and gas companies, we would not have to allow the Crown to back in and take a full 25 per cent share. Perhaps it could get by with something less. Perhaps there would be other cases on particular leases where the Crown share might have to exceed 25 per cent in order to ensure a full 50 per cent Canadian ownership in the relevant interest.

Motion No. 23 indicated that essentially there should be no retroactive right on the part of the Crown to back itself into discoveries prior to the introduction of the National Energy Program in the late 1980s. In other words, although the government has now put forward a means of marginal compensation for the privilege of backing in prior to January 1, 1981, it is the view of my party that exploration ventures, financed and initiated by private partnerships and consortia, should not be subject to this form of legalized theft or retroactive stealing to which many of my colleagues have referred.

Motion No. 25 was discussed prior to the presentation of Motion No. 26 this afternoon. It indicated that in the eyes of this party the Crown share, whatever its level, should be represented as a working interest, not merely a carried interest granted arbitrarily by the powers granted the minister under the bill.

Then we come to Motion No. 26 which fits with other prior motions as well as with Motion No. 28. It indicates that Petro-Canada or any other relevant Crown corporation should not have full voting status when sitting in on questions pertaining to financing, timing and management decisions pertaining to the development of a particular project beyond the point of exploration and through the production stages. We in this party do not feel that it is right or proper for the Crown operator to have 25 per cent of the say in decisions in all oil and gas exploration and production initiatives on the Canada lands, unless it pays at least a reasonable share of the cost.

Clause No. 34 which we are proposing to amend reads as follows:

> The designated Crown corporation to which a Crown share is transferred . . . is entitled to participate and vote, in proportion to that Crown share, . . . whether or not that Crown corporation has converted the Crown share under subsection 36(1), and any applicable operating agreement or other similar arrangement stands varied or amended to the extent necessary to give effect to this section.

We are proposing that the Crown operator not be given an open-ended right to a vote whether or not it has converted its Crown share to a working interest. But through a prior amendment, Motion No. 25, we have already required that every Crown share must be in the form of a working interest. I should like to look at what this clause would grant in its present form. It refers to Clause 36(1) which reads as follows:

> A designated Crown corporation may convert the Crown share transferred to it to a share in the relevant interest with all the attributes and, subject to subsections (2) and (3), all the obligations of a share in the relevant interest at any time before, but not later than 30 days after, the minister gives the designated Crown corporation a notice of his intention to authorize a system for producing oil or gas from the relevant Canada lands.

A Crown operator, whether it be Petro-Canada or whatever other Crown corporation, can sit back casually knowing that it has a 25 per cent carried interest but not having to convert it to an active interest until it finds out whether or not oil or gas is discovered. Of course it has 30 days retroactively after the registration of a significant discovery. After the minister has

given notice of intention to authorize a system for production, it can come along and indicate that it now wants to convert it to a working interest.

Turning to Clause 36(3), it reads:

Neither Her Majesty in right of Canada nor any designated Crown corporation to which the Crown share may be transferred under this act is liable for any expense incurred in respect of the relevant interest prior to a conversion under subsection (1)—

For all intents and purposes, this means prior to a discovery of a significant amount of oil or gas. It continues:

—whether that expense was incurred in relation to the exploration for oil or gas on any relevant Canada lands or the development of those Canada lands in order to produce oil or gas or otherwise, and any applicable operating agreement or other similar arrangement stands varied or amended to the extent necessary to give effect to this subsection.

The clause refers to "other similar arrangement" with the prior operator. What we are debating in Motion No. 25 cannot be considered in isolation from its linkage with Clause 36 of the bill and its present wording referring to Clause 34, which essentially indicates that Crown partners can sit on the board of directors, among the partners, to vote without having to take an active interest until 30 days after the minister declares a discovery adequate and agrees that it shall be licensed for production purposes. The Crown operator can vote on all decisions without meeting any relevant share of the cost. This is what it comes down to—how is the government operator or the Crown corporation to pay for its share?

I should like to turn to Motion No. 28, although perhaps it is not quite legitimate in that it will be debated later on. But we in this party feel that the Crown operator should be given some advantage if there must be a designated Crown share. But we have already said that that share should not be rigidly fixed to the 25 per cent figure. We would prefer to have more private operators, more private investment capital in the venture. If there is to be a Crown share under Motion No. 28, the Crown operator, Petro-Canada or whatever Crown Corporation it may be, would have an obligation to undertake to purchase a working interest in that share, and the price of the purchase would be at least a portion of the relevant exploration costs to be set at 50 per cent of those costs as prorated to their proportion of the total partnership equity. In other words, if Petro-Canada had a 25 per cent interest, although under our amendments it could be 18 per cent or 32 per cent, it would be required to pay 50 per cent of one quarter of the total relevant costs incurred in bringing the particular lease to the point of significant discovery, licensing and production.

● (1700)

The point is that it is neither proper nor honest for the government to demand—in addition to all the forms of taxation it is going to assess against these operations at the consumer and production level in progressive royalties and income tax—a piece of the action without paying its share of the cost of participation.

The government would have the people of Canada believe that all this will come about for nothing and that somehow it can take away one quarter of a private production operation and convey it to the people of Canada without being required to pay a price for it. We would prefer that the government pay for this directly, Mr. Speaker. If the Crown operator, Petro-Canada or whoever, did pay directly to the extent of 50 per cent of the relevant share of the cost, it would have to borrow from the charter banks. In turn, the banks would probably go to New York or Bonn to borrow foreign money. That is one way in which the government can create the illusion of Canadian ownership, through the back door. In reality, however, it is offering a guaranteed rate of interest to foreign lenders and at the same time creating the illusion that it is protecting the resources for the Canadian people.

Bill C-48 does not provide authority for the government to borrow money or raise money through private contributions from Canadians. It does not invite the participation of Canadians to buy shares in the Crown corporation. Instead, it proposes to steal that 25 per cent interest. It pretends that the Canadian people will not have to pay for that interest but in fact, Mr. Speaker, the people will have to pay. They will pay through buying Canada Savings Bonds. The interest rate on bonds has been set at 19.5 per cent. This will have the effect of soaking the capital that some senior citizens have put away over the years. If you have $10,000 in the bank, a 19.5 per cent return is pretty attractive, so instead of investing in Canadian oil and gas people will be induced to buy Canada Savings Bonds which are widely advertised by the government and the banks. The government is desperate for capital and that is why the interest rate is so high.

But because the interest rates are so high, Canadians cannot afford to borrow money to invest in private sector ventures, which would have to pay 19.5 per cent or 21 per cent or 22 per cent interest in order to be attractive. I submit that is a hidden tax, Mr. Speaker; it is an inflation tax.

The government pretends that we are taking control of our own natural resources and our industry. It is trying to delude the Canadian people by calling what is really an excess tax, a high interest rate. The government is creating inflation by overspending; its expenditures are 25 per cent higher than its income. The new windfall tax levied on the production of conventional oil and gas is really a tax on all Canadians. All that people get in return are some fancy service stations which are taking business away from small independent oil and gas outlets in some parts of the country. In some small communities the corporation is also getting into the shopping centre business and the convenience food store business, thus making things extremely difficult for the existing service stations. Sometimes the Petro-Canada stations set the price at two cents per litre below that of the private operator, stays open all night and operates on a self-serve basis, taking business away from existing gas stations that have served the community and provided employment for years and years.

Petro-Canada puts up fancy signs and creates the grand illusion that we control our natural resources. This is nothing more than a charade, Mr. Speaker, because we owned them all along. The Canadian people are now being charged for the privilege of having that sign displayed. The high interest rates

we are being charged pay indirectly for the government's privilege of stealing a 25 per cent interest in the ownership of relevant ventures on the Canada lands.

I think it is important that the essence of our amendments be quickly reviewed, Mr. Speaker. If the Crown is to have a relevant interest, we think it should pay for it. Motion No. 28 suggests that it should pay at the rate of 50 per cent of the relevant exploration cost, prorated to its share of the venture, and that there should be no guaranteed entitlement to a total of 25 per cent participation in oil and gas initiatives on the Canada lands.

It would be preferable if the government were to encourage individual Canadians to invest in these initiatives. In that way they could share in the risks and the profits and could help hasten our quest for energy self-sufficiency.

Motion No. 26 which amends Clause 34 removes from Petro-Canada the right to have a vote or a say in the exploration and production initiatives in the Canada lands unless it is a full working partner paying its share of the cost; it offers it a special break by allowing it to get away with something less than the full cost paid by other operators.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, when I sit here and listen to members of the Conservative Party belittle and attack Petro-Canada and try to destroy it, and when I examine statistics which show how Canadians have responded to the Petro-Canada signs on gas stations, I am reminded of a turkey looking for an early Christmas. I do not think it is politically popular to do that in this country and I think the Conservative Party does so at some risk.

Mr. Siddon: Let us worry about that.

Mr. Waddell: You can worry about it, my friend. In this party we have a song about creating a new Jerusalem. It seems to me that the Conservative Party wants to create the old Jerusalem problem and the old Petro-Canada problem. If they want to do that, then they risk their own turkey necks in the process.

The hon. member for Calgary Centre (Mr. Andre) said that Petro-Canada had nothing at stake in these wells and oil plays. I think that is completely wrong; they have a great deal at stake, Mr. Speaker. As the appropriate government agency, it has responsibility for helping to ensure the energy security of this country. It has a lot at stake and we have a lot at stake, but it is responsible to us. I cannot follow his logic at all. I cannot see that a corporate executive of Exxon in New York can have more at stake than does Petro-Canada in Canada; that a corporate executive for Texaco in Houston can have more at stake than Petro-Canada, or that a corporate executive for Gulf in Philadelphia can have more at stake in Canada than does Petro-Canada. How can the hon. member for Calgary Centre say that Petro-Canada has nothing at stake? It has a great deal at stake on the outcome of that exploration. It has gas stations at stake and it has production at stake.

If the hon. member would open his eyes and ears he would see and hear Canadians responding to those gas stations. They have responded in western Canada, and they will do so in eastern Canada.

Mr. Siddon: They are putting others out of business.

Mr. Waddell: They will not put anyone out of business. My hon. friend believes in competition. There is enough competition in that business to allow Petro-Canada stations to exist with other gas stations.

• (1710)

The hon. member for Bow River (Mr. Taylor) suggested that, and I think he used the words "they were spending our money" on this Petro-Canada back-in, and so on. I wonder if we have not forgotten in this debate that the money which has been spent by the Government of Canada, by the ordinary taxpayers—the cleaners and the bus drivers and the people to whom the hon. member for Spadina (Mr. Heap) referred so eloquently to in his speech the other night—is the money of those people who have contributed in taxes in order to give to the oil companies, which are now yelping about these mild government measures.

I refer the hon. member for Bow River, and I see him here, to the Government of Canada's tax expenditure account of 1980. I know he likes to deal with figures and has a healthy respect for them. I suggest he look at that account because he will find that the fast tax write-offs for exploration and development expenses and the earned depletion allowances alone have meant a loss of tax revenues to the federal government of $3.870 billion, almost $4 billion, for the period 1976 to 1980. Whose money is being spent up there? Whose money is that $4 billion that would have come to the Government of Canada, money that in fact has been given through these great tax write-offs to the oil companies? Where were my friends to the right when the government across the way was bringing in all these great giveaways in terms of tax write-offs, depletion allowances, super depletion allowances, earned depletion allowances, development expenses, and I think seven others? Where were they? They were not standing up saying: Don't give these kinds of allowances, that would not be capitalism." It is funny—you are anti-capitalistic if you take something from the oil companies, but if the government gives something to them, that richest industry in Canada which has drained Canadian taxpayers with all these write-offs in the past, then you are okay.

I have been listening very carefully to the many remarks directed my way and to the comments about socialism, and I have been trying to learn what capitalism is all about from hon. members to my right. I must say that I am getting conflicting messages because they tell me it is okay to give the companies lots of money but it is not very good to take anything away from them in terms of increasing taxes or taking 25 per cent. We are giving them 93 cents on every dollar up there and we want 25 per cent for Petro-Canada. Is that really so excessive? I do not think it is. We have suggested

it should be much more. I have suggested in past speeches during this debate that other countries—to be specific, Norway, the United Kingdom and Australia—have much tougher regimes than this particular regime. I would like also to suggest to my friends on the right that I am getting conflicting messages from the oil industry as well. I understand this new regime is terrible on the oil industry, and so on, yet in *The Financial Post* of October 17, 1981, Don Jackson, president of Sienna Resources Ltd., a Calgary-based exploration company, is quoted as saying:

> Under the new regime if you can find oil, it is unbeatable. We'll drill as fast as we can get the money.

Then I look over to the continuation of that article and I find another quotation from Mr. Lorne Inglis of Westfield Securities who said:

> By the end of the agreement period, the industry will be crying from shut-in oil,—

Is the industry suffering or is it not suffering?

There are a number of quotations from a number of other small Canadian companies. I suggest members to my right are not listening to small Canadian companies but are taking their instructions, indeed their orders, directly from the American government and from the large multinational oil companies. They are almost traitors to this country. That is where they are getting instructions, and that is what they are showing in this debate.

An hon. Member: Are you sure you graduated from law school?

Mr. Waddell: That's right, unlike the Leader of the Conservative Party (Mr. Clark).

In response to the hon. member for Calgary Centre, again going back to this notion that Petro-Canada does not have anything at stake, I suggest it has at stake its own responsibility. I also suggest it has at stake something bigger that my friends to the right simply do not understand, and that is that oil is now a strategic commodity, and it is the responsibility of modern government, especially in Canada, to ensure that we have an adequate supply of that commodity. That is the role of the government.

Let me quote what Bill Hopper, chairman of Petro-Canada, said in Calgary recently. He said:

> "Simply put, oil is now a strategic commodity", he said. "Anyone who thinks that government intervention in the oil economy is going to decrease probably also believes in unicorns."

I take it then that the hon. member for Calgary Centre, among other things, is a believer in unicorns, because the fact is that in modern government, intervention is not going to decrease. We cannot go back to the old Jerusalem, my friend.

Furthermore, this is against the principles of the Conservative Party. I listened carefully to speaker after speaker, especially Conservative members from western Canada, and I would have thought they know better than to give the idea that the Conservative Party is exclusively the exponent of free enterprise; that there is nothing else. One hon. member said that this is a free enterprise country. That is a myth; it is against the very traditions of the Conservative Party. There is Suncor in Ontario, and what about Sir John A. Macdonald's aid to the CPR? What was CPR given? It was given half of Vancouver by the Conservative Party.

Some hon. Members: Oh, oh!

Mr. Waddell: I wish my friends would just relax a bit. I have listened to them for a long time. Just relax and listen for a minute. No doubt my friends to my right will get up and respond ultimately to this, but I am suggesting it is in the traditions of their own party that there has been a mix in this country between free enterprise and government aid in many ways. There was aid to the CPR through their own party, aid in building the transcontinental railway, the establishment of CBC by the Conservative Party, the nationalization or takeover of PWA by Peter Lougheed, that great free enterpriser, and the Alberta government telephone system.

One can go on and on.

The point I am making is that in modern days it is clearly a mixed economy in Canada, so to get up and berate the fact that Petro-Canada is going to be involved through a 25 per cent interest in the oil plays up in the north and in the offshore seems to me to be very shortsighted and very out of date. I do not have to belabour that point. I think it is clearly there. It is the Canadian way. This is a large country. It was not built on any ideology, although I think Canadians are basically a socialistic people.

● (1720)

Mr. Kelly: Your first statement was correct.

Mr. Waddell: I think is was there for very practical reasons. Canada is a large country with a small population and a harsh environment. That is why we have to co-operate. That is why we have a different view of government than the Americans do in the United States. Sometimes our American friends do not understand that we have a different view. It so happens the party opposite believes some of the things I am saying, but it is a reluctant bride and it is not prepared to deal with government enterprise in a proper way. The party opposite is already making mistakes with respect to Petro-Canada. I have criticized Petro-Canada in the past. I have criticized the president when he was before the committee. When I think the government is doing a good thing, I will say so, and when I do not think so, I will say so too. I think the party opposite is starting to put hacks on the board of directors—

Mr. Andre: Which is inevitable.

Mr. Waddell: —and starting to treat Petro-Canada in a way that it should not be treated. I say to my Conservative friends that in a modern state, with a strategic commodity like oil, our history and the nature of our country, Mr. Hopper is absolutely right when he says that anyone who thinks that government intervention in the oil economy is going to decrease probably also believes in unicorns.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I want to correct some of the statements made by our hon. friend, the previous speaker. Certainly one is supposed to refer to members as hon. friends, but because of some of the aggravating remarks which emanated from the vacuum which he calls a mind, I do not think one can really refer to him as a friend after all.

At this moment in time I do not stand for any policy which would accommodate the disposition by the state of Petro-Canada. Let us get that clear. When the last speaker said that this government has already appointed political hacks to its board of directors, that was true. It is from that point of view that I cannot, in clear conscience and in the service of my taxpayers, refer to any individual serving a multinational company, because I do not have the privilege of being familiar with a president, a director or a knowledgeable individual. Those whom I have met I have only met on occasion, by coincidence and not by design, and anything I have to say in no way reflects these individuals' philosophies or objectives, politically or economically. I happen to believe that if there is to be a free opportunity for people to develop and to have an opportunity in this land, we cannot put in that environment a Crown corporation to which advantages are given that are denied to its competitors. In that aspect, this bill is wrong, this socialist philosophy is wrong and this country cannot thrive under that kind of structure. My instructions shall not come from New York but from my heart and with the guidance of my constituents and the taxpayers who I represent.

An hon. Member: And Bay Street.

Mr. McCain: There are some, even those who have been known to be ministers of agriculture, who believe that we should be socialist in our structure. Whether it be agriculture or oil, I do not believe that it is efficient or that it provides our consumers or the Canadian people as a whole with the best opportunity to make a living. There must be some consideration by government for agriculture. There always has had to be and there always will be.

Mr. Whelan: All you ask for is that the government intervene. You ask for more government aid. Every time you get up and make a speech, that is what you ask for.

An hon. Member: He has got you, babe.

Mr. McCain: Let us tell the whole story. I have asked the Government of Canada and the present Minister of Agriculture (Mr. Whelan) to fulfil his historic responsibilities. Those historic responsibilities of the Government of Canada, Liberal or Conservative, have been, until his advent on the scene, a policy which assured farmers of any crop that there would be a price stabilization payment available which would be a stop loss payment for the cycle in which that crop was in danger and in economic jeopardy.

Some hon. Members: Oh, oh!

Mr. Taylor: Stay out of their business and let them get a proper price, and they won't want any of your government money.

Some hon. Members: Oh, oh!

Mr. McCain: Simmer down. Since there has been agriculture and since there has been business, there have been cyclical tendencies. It has served agriculture and the consumer well to have those price stabilization payments and to have money put into the financial structures that assist the farmer. You do not turn your back on them when they are in trouble, as this government has chosen to do.

Where is the former minister who kept Farm Credit Corporation rates down to the level that farmers could afford? Where is the historic performance of that minister of agriculture who has put bridge and emergency financing in place in times of cyclical difficulties for agriculture? Where is that minister? That minister has gone. We used to think he was a gentleman by the name of the hon. Mr. Gardiner who made things tough for farmers, but they did not know what tough was until we got that city-oriented individual from Windsor as the Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. McCain: His government's position is indefensible, incomprehensible and unforgivable. The government has abandoned agriculture absolutely in its time of need, and it will reflect on the consumer in the cost of living in a serious way.

Do you have any other interjections? If you have, I would be happy to entertain them.

Mr. Whelan: Mr. Speaker, I have something I can table if I can have unanimous consent. It is a letter from a person in Alberta, and it says "Don't quit."

Some hon. Members: Hear, hear!

Mr. Andre: Signed "Your loving cousin."

An hon. Member: The only Liberal there.

Mr. McCain: Mr. Speaker, it would not be difficult to get about 2,000 signatures on a petition from the maritime provinces asking "Please get out of the way and let some progressive individual replace you who would act in an historic fashion as the minister of agriculture."

The problem is that the criticisms heaped upon the Liberal Party are bothering its members a little. Anything the minister can do to deflect any further discussion on Bill C-48, this insidious NDP-oriented instrument, he will do. The minister is doing his job today, even if he does not do it in agriculture tomorrow.

Mr. Whelan: We are watching.

Mr. McCain: I have discussed agriculture in a rather extraneous fashion. Let us come back to the oil industry. I want to come back to a phrase which was introduced to this

House by the late David Lewis. He referred to corporate welfare.

Mr. Miller: Bums.

Mr. McCain: What we are getting in this bill is an extention of corporate welfare which the New Democratic Party en masse ridiculed completely.

Mr. Waddell: I agree with that.

Mr. McCain: We are back into corporate welfare at the expense of the taxpayer. The taxpayer pays every single cent of that corporate welfare. While we are in that structure, we are depriving the taxing authority of the Government of Canada of an opportunity to receive revenue which otherwise might have accrued to it. We have put constraints upon that corporate structure of Canada, both Canadian and foreign, which is not going to give it the opportunity to be a tax base for this nation. Every move that has been made will cost the taxpayer money. The government has no money other than the money which comes from the taxpayer.

• (1730)

When these rights and privileges are given to Petro-Canada, or some other Crown corporation, it is imposing upon the consumers of Canada, who are the taxpayers, an additional price because the billions of dollars that have been spent in the off shore and distant lands of Canada—

Mr. Waddell: I thought they were stealing it.

Mr. McCain: They are stealing it from some and taxing others to pay for it. That is precisely what they are doing. Those corporations which have that money, whether it be Dome which comes under the proper characteristics for the Canadian government, or any other company, will have to charge Canadian consumers more to recover those billions of dollars which have been spent than they would otherwise have had to charge. We are giving—the word stealing is quite appropriate—

Mr. Whelan: It is not.

Mr. McCain: If it were yours, you would accuse the governement of stealing. You would not tolerate the idea of expropriation without compensation, and that is precisely what is in this bill. Let us take a quarter of your farm, then. You will not miss it. You cannot have a quarter of my house without a fight. I want compensation when that happens. It is all I have.

This is the only place in the world you can have expropriation without compensation, and the taxpayers will pay.

If Petro-Canada were given the opportunity to function in real competition with other Canadian companies, all the complaints would stop on this side of the House. But when you are going to put—

Mr. Whelan: That sounds slippery.

Mr. McCain: I am not as slippery as the Minister of Agriculture with respect to his responsibilities in his own portfolio.

However, let us get off the socialist slide. The results of socialism are evident when we look at Sweden which has absolutely unmanageable financial problems with respect to both foreign exchange and fiscal and monetary loans which are required from outside that land to keep it going. England had a socialist regime, and only this week we heard the government say that British Leyland will never open its doors again except under certain conditions. The taxpayer cannot maintain the burden to keep it operating. Let us not get ourselves into that mess.

Mr. Waddell: What about West Germany?

Mr. McCain: Yes. It is giving assistance to business. It is not standing in its way. It is allowing consortiums to produce and operate in a free enterprise structure which gives them business anywhere in the world. In this country we have a government and a splinter opposition which have defied the facts of success in every viable economy in this world and have blinded themselves utterly to the failures and difficulties occurring in socialist governments.

The government should provide for free trade, free competition, comparable tax policy, comparable opportunity for exploration and opportunity for development and consortium opportunity, but it should let Petro-Canada make its own money without the backing of the taxpayers. Let it buy its own land, lease its own lands and explore its own lands. Let it form a consortium with other companies, but let the government not put the burden on the taxpayer by giving Petro-Canada a gift of 25 per cent of somebody else's property. That will only let them compete in an unfair way. Let us not have a company managed by political hacks.

If Petro-Canada, with its funds supplied by the taxpayer, were turned loose in the free enterprise market of Canada without that support from the Crown and taxpayer, how long would it last? Under those circumstances it would not last, and therefore its existence is not justified. It should be put out on its own.

Mr. Waddell: The CPR.

Mr. McCain: All right, the CPR. So they own half of the centre of Edmonton. When the CPR was built, the city of Edmonton might have had a half dozen wigwams in it. Because it is now in the centre of the city of Edmonton, is not the fault of our ancestors who gave it to them. The city of Vancouver had a few scows, and the railroad gave that city the opportunity to build. Otherwise, it would never have been the trading centre it is today.

Let us not philosophize and indoctrinate the people of Canada with false statements such as, "We gave them half of downtown Vancouver." What an insidious statement that is. Anyone who would just apply a little logic and who had some

knowledge of the development of this land would never make such a statement again.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): I want to correct an error I made earlier. It is a minor procedural one. I referred to the mover of the motion as being the Hon. Michael Wilson. It should, of course, have been:

MR. HARVIE ANDRE (FOR MR. WILSON) moved:

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Accordingly, pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House may wish now to consider Motion No. 27.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): By unanimous consent.

Mr. Harvie Andre (for Mr. Wilson) moved:

Motion No. 27

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 35 by striking out lines 29 to 34 at page 20.

He said: Mr. Speaker, Motion No. 27 also deals with Petro-Canada and the role that it will play. It gives me an opportunity to address some of the erroneous remarks made by my hon. friend, the member for Vancouver-Kingsway (Mr. Waddell) who, incredibly, has been the energy spokesman for his party. Apparently he has learned absolutely nothing.

He accuses our party of not being consistent in principle, which I think may be the way of describing it. He says that we are operating in the dark ages if we think that the private sector is worth anything or has any future. I suggest that the hon. member for Vancouver-Kingsway might learn something of value if he would speak to the former energy critic for the New Democratic Party during the period from 1974 to 1979, the Hon. Tommy Douglas who now is a director of Husky Oil, which is a large Canadian oil company. I suggest the hon. member for Vancouver-Kingsway might learn something and be less inclined to make the asinine statements he has been making in the House.

He asked the rhetorical question why we Conservatives are not concerned about small business, and he has somehow related that to Petro-Canada.

I would remind him of two anecdotal situations with regard to Petro-Canada. I am sure he must have received a letter recently from a Mr. Barry Peacock, President of Peacock Oil of Barrie, Ontario. Mr. Peacock, an independent petroleum marketer, has a small business. He supplies oil and gas to independent service stations under the Peacock banner in the area of Orillia, Ontario. The vice-president of Petro-Canada phoned him and said that Petro-Canada had just taken over his station at a certain location. The vice-president said that Petro-Canada has a contract with the owner of that station and that it would be supplying the gas from now on. Mr. Peacock said, "Gee, I thought I had a contract with that individual; I am sure I did". He telephoned and went to see the individual whose station supposedly had been taken over by Petro-Canada from amongst his stations. The individual said, "Well, frankly they made me an offer I could not refuse". They came in, said they were going to spend $20,000 improving the service station. They were going to put in new tanks, new pumps and new signs and give him some money for advertising locally and so forth and said they would look after any contractual obligations he had with Peacock Oil. That was the case of this great Canadian oil company that is doing things for Canadians by knocking out a piece of the business of a small Canadian independent petroleum marketer, Peacock Oil. That is a true story. The hon. member for Vancouver-Kingsway can telephone Barrie, Ontario and ask Mr. Peacock. Perhaps he does not remember receiving the letter. He probably threw it in the garbage right away because it did not fit his philosophical leanings.

● (1740)

The hon. member for Vancouver-Kingsway also talked about the justification for seizing 25 per cent of the privately owned assets of companies operating in the north. He said it was justifiable on the basis of tax expenditures. I remind the hon. member—I am sure he has heard it before, but he chooses to forget—that if that is a justification, then the government is perfectly justified in seizing his Registered Retirement Savings Plan, if he has one. If he has used a Registered Home Ownership Savings Plan to save for a down payment for a house, based on the rationale supplied by the hon. member the government is justified in seizing a portion of the house because if he has ever had a tax deduction by virtue of children, wife, Registered Home Ownership Savings Plan or Registered Retirement Savings Plan or taken any tax deferral scheme such as that, according to the New Democratic Party that provides the moral justification for the federal government to come in and seize part of the assets acquired by taking advantage of the tax incentives provided by this government.

That is a Colonel Gadaffi kind of morality. That is a Third World, banana republic dictatorship kind of morality. It really is disgusting and shocking to hear Canadians who supposedly believe in democracy justifying that kind of behaviour.

In a sense, I suppose, politically, the members of the New Democratic Party have it made. On the one hand they say Crown corporations and government intervention are good. They say Petro-Canada is good. Then, on the other hand they say that because the government fills Crown corporations, including Petro-Canada, full of political hacks, it is therefore bad. They criticize political hacks, but they like Crown corporations. They have it made. They spend half their time demanding more government intervention and the other half criticizing the blazes out of the government for doing what it is doing with the authority it has as a result of that intervention. They cannot be separated; they come together.

If we are to have a government creating Crown corporations, agencies and bodies and making appointments, we are going to have political hacks. They cannot be separated; that is exactly what happens. How can we morally or intellectually justify creating more opportunities for political hacks while, on the other hand, become disturbed about putting political hacks into positions?

Probably the most stupid aspect of the argument made by the hon. member for Vancouver-Kingsway was the question of Petro-Canada's being responsible. The hon. member said, "Of course it is responsible; it is responsible for ensuring our energy security." How can it be held responsible? What magic occurs? What magical qualities does Bill Hopper, the president of Petro-Canada, have that are denied to Bob Blair, the president of Nova and Husky, or Bill Richards, the president of Dome, or Riddell, the president of Paramount Oil and Gas? What magical qualities does a person acquire when he becomes a president of a Crown corporation which are somehow not attributable to others? Why are Canadians who are running oil companies owned by Canadian individuals as shareholders inferior intellectually, morally or in any other way to Canadians who work for the government or for Crown corporations? I wonder if the hon. member at some time could explain to me why it is that Canadians who work for private companies are morally and intellectually inferior.

Mr. Waddell: They aren't.

Mr. Andre: Could he explain to me why it is that employees of companies other than Crown corporations are dishonest. The hon. member said that corporations are terrible and disgusting and that their directors are disgusting.

Mr. Waddell: No. Show me in *Hansard*.

Mr. Andre: The hon. member for Vancouver-Kingsway said that Petro-Canada is necessary if we are to become self-sufficient, which means that the rest of the industry will not work and cannot be trusted.

Then the hon. member talked about government intervention. I wish he would talk to Tommy Douglas and find out something about the oil industry, because if he spent a little time with Tommy Douglas, he would recognize that a company or an individual involved in the oil industry cannot acquire land, cannot run seismic tests, cannot drill a well, cannot put in a pumping facility, cannot put in a pipeline, cannot put in a refinery, cannot put in a service station and cannot in fact undertake anything at all in the oil industry without getting the permission of the government or a licence from the government. If that is not intervention, what is it? The hon. member for Vancouver-Kingsway has an absurd notion.

I am sure he is not advocating getting rid of all the provisions of this bill. He is saying he wants all those provisions, but he wants these government regulators to regulate the government because he cannot trust the private sector, even though the private sector cannot do anything without getting the permission of the government first. Intellectually, that is absurd.

With respect to small private companies the hon. member for Vancouver-Kingsway admonished us and asked why we are not concerned about small companies. I ask him to read my remarks of last week when I read into the record a letter from Paramount Oil and Gas, a small Canadian oil and gas company headquartered in Calgary. Its president is Mr. Riddell. The company undertook some drilling activities in northern Canada. It spent $10 million, which was a lot of money for that small Canadian company. Its biggest well which cost $5 million turned out to be a duster. The company did get a couple of small gas producers in the Cameron Hills area far from any pipeline, so they are capped. For its investment of $10 million, this company has some capped resources up there which have some value. The value is reduced now that we have the National Energy Program. However, it has some value but, if passed, this bill will confiscate 25 per cent of what Paramount Oil and Gas has up there. We will be taking 25 per cent of this Canadian company's assets.

In the mind of the hon. member for Vancouver-Kingsway this is entirely justifiable, but every day he tells us he is concerned about small Canadian businesses. If he is concerned about small Canadian businesses, he would not so easily say, "To heck with you, Mr. Riddell and to heck with you, Paramount Oil and Gas; the Crown is taking 25 per cent because the Crown deserves it".

Motion No. 27 seeks to amend Clause 25 of the bill. Clause 25 of the bill as amended in committee and reported to the House says that the Minister of Energy, Mines and Resources (Mr. Lalonde), by order, may designate the Crown corporation to be the operator with respect to the relevant interest. In other words, the minister here in Ottawa may designate Petro-Canada to be the operator. Here are the circumstances: we want our oil and gas resources to be developed. We want companies to go into the frontier areas far away from the market. We want them to spend tens and hundreds of millions of dollars on exploration, seismology and drilling wells. And then Petro-Canada will come along and take a 25 per cent partnership, carried interest, and will pay nothing but will be

able to vote. If there is a discovery, under Clause 35 the minister may direct that PetroCan become the operator. The minister may direct that PetroCan take over and henceforth control all the wells and production facilities. In other words, it can spend all the money necessary without being accountable to anyone.

● (1750)

These companies which have taken all the risk will suddenly find themselves holding a tiger by the tail. They have to keep paying out their share of the money, but PetroCan is the operator. The company which put up none of the money will then spend the way Crown corporations spend.

The industry has a long history of dealing with the situation where an operator does not work out or the partners want to change. There is a standard contract used universally to deal with this situation. Why does the government not make use of this global experience and employ the same procedure? What kind of perverse, idiotic mentality would lead them to say that the government cannot depend on the worldwide procedure for changing operators and put in language which says the minister can direct the Crown corporation to take over as the operator?

There will be no new development in Canada's Arctic area with this kind of rule. No small businessman or multinational with any common sense would put money into a situation which carries PetroCan as a voting partner even though it puts up none of the cash. Second, this company which you have been carrying and has put up no cash can take over as the operator. It can decide if and when you are going to develop, where you are going to sell and at what price. Who in their right mind would make that kind of investment? No one.

The only people who will carry on in Canada lands are those who are there and are stuck, those who spent millions of dollars over the past few years in good faith, thinking that a democratic country like Canada would never come forward with this type of legislation. How wrong they were. They are paying the price now, but they will not make that mistake again.

We will not have the development which this country needs. The government claims it wants development. I do not believe that. It is a sad commentary on where we have come to in this country. It is very disappointing that our system works so poorly that a handful of people in the minister's office can produce such an incredibly badly thought out piece of legislation and program. It counts on the blind, deaf and dumb support of government members in this House to shove it through.

This is a sad commentary on our system. Nevertheless, we in this party keep trying by repetition, talking and going over the matter, hoping that in some magic way enough people will take their responsibility to Canada seriously and will reconsider what they have been doing thus far and vote in favour of motions such as No. 27 which negates clause 35(1) which is so detrimental to the future of this country.

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to say a few words on Motion No. 27 of the hon. member for Calgary Centre (Mr. Andre) which concerns Clause 35 of the bill. He went into great contortions to describe his concern about their being no exploration or development with such a clause in the bill, yet this clause, or one very similar to it, was in the original bill that came out last year.

The clause was put in for a very clear reason. The government has a great deal at stake in the development of any well because of the petroleum incentive program grants of a minimum 25 per cent, or higher. There have been instances in the past where the operator was a foreign-owned multinational. It would have been much more in the country's interest to see exploration or a delineation of wells carried out to prove their geological structure. Perhaps because of these circumstances that particular operator's global activities, whether it is Mobil or any other multinational corporation, would take place in some other part of the world, activities involving exploration and development. Because of our climatic conditions, often exploration can only go forward during the summer months. Canada must sit and wait while the foreign-owned multinational carries out its exploration and focuses its activities in another part of the world.

From the point of view of the individual companies, that is fine. In some cases private enterprise feels no responsibility to Canada. Therefore, this is a good safeguard. We have the capital investment through the petroleum incentive program. Perhaps in some cases the grants are even higher. Sometimes strategic well drilling in one area may go on to other structures in the area. If we lose one or even two years, it is not in the long-term interest of the country.

The hon. member for Calgary Centre stated that with this clause in the bill, no exploration can take place. When we were dealing with this bill in the standing committee, impressive figures were placed before us forecasting petroleum exploration expenditures on major Canada lands. During 1979, before the bill was introduced, the projected figure was $550 million. The projections by the department for 1980 and 1981 show those figures rising dramatically. In 1980, the first year before this bill was introduced, the expenditures were $345 million. In 1981 they rose to $630 million, in 1982 to $830 million, in 1983 to $1,035 million and in 1984 to $1,140 million.

If we look behind the hon. member's arguments, we find that the projections of expenditures and the number of wells that will be drilled in the next few years under the National Energy Program rise dramatically, doubling the 1979 figure by 1984 and almost quadrupling the 1980 figure by 1984. I do not think we should take the hon. member's argument too seriously in this regard. It is a most worth-while safeguard for the national interest to have this clause in the bill.

The Acting Speaker (Mr. Blaker): The Chair is not clear as to whether the hon. member for Algoma (Mr. Foster) has completed his remarks. He indicates he has. Perhaps it is appropriate at this time to inquire whether hon. members wish the motion to be put.

Mr. Taylor: Mr. Speaker, I want to say a few words about this.

The Acting Speaker (Mr. Blaker): Order. I had heard some hon. member indicate that possibly the time has come to put the question. It is clear the time has not come. It is six o'clock. Accordingly, it being six o'clock, pursuant to Standing Order 2(1) the House now stands adjourned until two o'clock tomorrow afternoon.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 5, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

SUGGESTED EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM TO FARM EQUIPMENT DEALERS—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, high interest rates are forcing many farm equipment dealers to reduce their inventory of spare parts, which often results in frustrating delays for farmers working against the weather to take a crop off when a machinery breakdown occurs. Realizing the urgency of this situation, as we have just taken a crop off, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That the Minister of Industry, Trade and Commerce recommend to the Minister of Finance ways of assisting this service sector such as by expansion of the Small Business Development Bond.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

CONDITIONS AT TERRASSES DE LA CHAUDIÈRE, HULL, P.Q.—MOTION UNDER S.O. 43

Mr. Scott Fennell (Ontario): Madam Speaker, whereas there is compelling evidence of environmental problems at the Terrasses de la Chaudière in spite of a cloud of government secrecy, and as public servants are entitled not only to a reasonable work environment but to know the true state of affairs, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the government table all unabridged reports concerning the environmental, health and structural problems of the Terrasses de la Chaudière, and that all pregnant women currently working in the building should be offered transfers to other facilities until such time as there is conclusive evidence that all problems have been solved.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY ON POST-SECONDARY EDUCATION FUNDING—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise pursuant to Standing Order 43. Recently the Progressive Conservative Party has had much to say in opposition to rumoured and/or proposed cutbacks in federal support for post-secondary education. In view of this, and in view of the fact that they are the same ones who have done the most to create the mistaken perception of the deficit as the greatest single evil facing our country, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House, in the name of political integrity, instruct the Progressive Conservative caucus to own up to its part in creating the cutback mentality and apologize to students across the country, and also that they renounce the rhetoric of the hon. member for York-Peel who, had he remained in office, would surely have become "king of the cutbacks".

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

SUGGESTED RETENTION OF ATLANTIC LIMITED TRAIN—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the Minister of Transport (Mr. Pepin) has determined low ridership as a major criteria for the abandonment of 16 passenger rail lines across Canada. In view of the fact that the Atlantic Limited operates at 80 per cent occupancy and is often completely filled, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the Atlantic Limited does not fall within the questionable guidelines established for abandonment and as such should not be cancelled rendering the southern portion of New Brunswick isolated, crippled, and certainly alienated.

Madam Speaker: Is there unanimous consent for this motion?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

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THE HONOURABLE J. ANGUS MacLEAN

TRIBUTE TO RETIRING PREMIER OF PRINCE EDWARD ISLAND—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, this coming weekend marks the end of the long and distinguished political career of the Honourable J. Angus MacLean, Premier of Prince Edward Island. He served in this House for a quarter century and now makes way for his successor at a leadership convention in Charlottetown on Saturday. I move, seconded by the hon. member for Cardigan (Mr. Campbell), himself a former Premier of Prince Edward Island:

That this House acknowledges the contribution of the Hon. J. Angus MacLean to his province and country over many years, and expresses its best wishes to him for a happy retirement.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to this motion?

Some hon. Members: Agreed.

Motion agreed to.

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CANADIAN NATIONAL RAILWAYS

UPGRADING OF PRINCE GEORGE-PRINCE RUPERT LINE—COSTS CHARGED TO RAILWAY CROSSING LESSEES—MOTION UNDER S.O. 43

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, the CNR north line between Prince George and Prince Rupert is to be upgraded to accommodate grain and coal unit trains bound for Prince Rupert. The mining and agricultural industries, and the provincial and federal governments will prosper from the increased traffic on this line. Although rural residents will be subjected to an extraordinary increase in noise and air pollutants, the CNR is charging all residents with railways crossing leases upwards of $2,200 to subsidize the upgrading costs. I therefore move, under Standing Order 43, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the Minister of Transport instruct the CNR to charge this portion of the upgrading to the benefiting industries or to absorb it themselves, but in any event to get off the backs of the suffering low-income lessees.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

EDUCATION

FUNDING FOR POST-SECONDARY EDUCATION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, there are thousands of Canadian students who are neglecting their studies and imperilling Canada's future because they have been worried about the Minister of Finance's (Mr. MacEachen) intentions vis-à-vis the federal government's contribution to post-secondary education. On behalf of those students, and seconded by the hon. for Bow River (Mr. Taylor), I move:

That, when we finally see the federal budget, if there is, for any reason, a need to reduce post-secondary education or health care then this House will demand the immediate resignation of the Minister of Finance.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AUTOMOTIVE INDUSTRY

SUGGESTED REDUCTION OF FEDERAL SALES TAX ON NORTH AMERICAN BUILT CARS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, Canadian sales of North American built cars suffered a record drop of 34.6 per cent last month, while at the same time Japanese imports increased by a whopping 70 per cent.

In view of the fact that the actions of the Minister of Industry, Trade and Commerce (Mr. Gray) in this regard have contributed dramatically to increased employment in Japan while adversely affecting the economy in Canada, resulting in 95 per cent of Canada's North American automotive dealers today being in dire straits, if not indeed on the verge of bankruptcy, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House instruct the Minister of Finance to include in his forthcoming budget a reduction in the 9 per cent federal sales tax on North American built cars, thus giving the industry time to recuperate from the minister's high interest rate policies.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY CONSERVATION

REQUEST THAT MINISTER DEMONSTRATE INITIATIVE WITH RESPECT TO CONSERVATION MEASURES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise on this historic day under the provisions of Standing Order 43.

We know from the Prime Minister's (Mr. Trudeau) speech in Nairobi last summer that our government is prepared to back conservation, solar and other alternatives for Africans. Yet in Canada in three years only $13 million of the $125 million five-year Solar Heating Program, called PUSH, has been spent. This year the National Research Council diverted $750,000 from solar research.

Last May 15 a brilliant Parliamentary Task Force Report called "Energy Alternatives" was tabled, with 65 conservation and alternative energy recommendations. I move, therefore, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That since six months have now elapsed without any government reaction to the report, this House urge the Minister of Energy, Mines and Resources to abandon his almost total preoccupation with the supply side of the petroleum question and show some initiative in reducing demand by conservation measures and greater support for alternative energy options.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

MURDER OF POLICEMAN IN LONGUEUIL, P.Q.—EXPRESSION OF CONDOLENCES TO BEREAVED FAMILY—MOTION UNDER S.O. 43

Mr. Jacques Olivier (Longueuil): Madam Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of this House to introduce a motion of urgent and pressing necessity.

In view of the fact that the day before yesterday in Longueuil, a young policeman of twenty-six, Constable Michel Vincent, was savagely murdered, that he lost his life while protecting the interests and the rights of citizens against any type of aggression, and that another policeman was seriously wounded at the same time, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That this House transmit a message of sympathy to the family of Michel Vincent who died tragically on Thursday, November 3, 1981, while protecting our rights and freedoms.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

EXTERNAL AFFAIRS

RUSSIAN NUCLEAR SUBMARINE'S VIOLATION OF SWEDEN'S TERRITORIAL WATERS—MOTION UNDER S.O. 43

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise pursuant to Standing Order 43 on a matter of urgent necessity. After noting the concern expressed by the hon. member for New Westminster-Coquitlam (Miss Jewett) in question period on Monday over the visit of Allied American Naval ships to Vancouver Harbour, and in view of the Prime Minister of Sweden's revelation that the offending Soviet submarine was armed with nuclear warheads, I move, seconded by the hon. member for Simcoe-North (Mr. Lewis):

That this House express to the Soviet ambassador its grave concern and dismay over the violation of a neutral nation's territorial waters.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

GOVERNMENT ADVERTISING EXPENDITURES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of Supply and Services who, on May 5, 1981, in a speech to the Association of Canadian Advertisers in Toronto, conceded that the federal government this year would be spending over $50 million on federal government advertising. In view of the fact that the minister made the statement before a number of publicly-financed, self-serving advertising campaigns were launched by the government, what is his current estimate of how much money in total will be spent by the federal government on advertising this year?

● (1415)

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I would have to look at the present estimates. I do not

have the figures available at this particular time, but the figures I was quoting at that time are relatively accurate.

DETAILS OF MINISTER'S SPEECH

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, will the minister concede that that figure has increased dramatically since that time? Also I bring the minister's attention to the statement he made in his speech that the federal government would be treating advertising in much the same way as a multiproduct national corporation treats the promotion of its product, on the grounds that "government is too complex nowadays to rely on 'policy by press release'; programs must be explained and not by reporters, but rather by the people who created them." Could the minister tell the House how he justifies the expenditure of massive amounts of public funds to promote a partisan point of view and in an attempt as well to prevent the Press Gallery from exercising its function?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the key words the hon. member used is the question of the expression of a partisan point of view. In no place in the speech could he identify any place where I have indicated that the advertising was to be for partisan purposes. I gave examples in that speech and I will cite one—the amnesty program that I introduced when I was solicitor general, in which I achieved a substantial registration of additional firearms, which had not been contemplated at the time the bill was introduced, as a result of a very progressive advertising campaign. That is the sort of advertising campaign that I feel was described within that particular speech.

AUDIT OF CANADIAN MEDIA CORPORATION EXPENSES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, if the minister needs an example he need only look at his colleague, the Minister of Energy, Mines and Resources, who spent massive amounts on advertising. You will note, Madam Speaker, that the minister has not answered the other question on whether or not the $50 million figure still stands.

The minister will be aware of the fact that he awarded an untendered contract, the largest of its kind in Canada, to Canadian Media Corporation, a company which was created to receive the contract from the federal government; it did not exist before. Due to the fact that Section 6, Item 4, of the contract between the government and Canadian Media Corporation provided that the minister, six months after the contract began, shall do an effectiveness audit, an efficiency audit, of the expenses incurred by the Canadian Media Corporation, with a view to determining whether or not the fee which is paid to that corporation should be adjusted, may I ask him whether that audit has taken place? If so, will he release the results of that audit to the House of Commons?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, yes indeed the audit has taken place. After the initial six months there was a review of the figures submitted by the Canadian Media Corporation. In effect we are satisfied that the costs submitted were accurate and justified the amounts that had been paid. I would be pleased to discuss the matter further with the hon. member and to review the figures to see whether or not I can in effect deposit them in the House.

In terms of the hon. member's indication pointing to the Minister of Energy, Mines and Resources and his advertising campaign, I might point out that any advertising expended by that minister was conformant to the policies of the government, namely, that it will advertise, identify and provide information to the Canadian public relating to policies which have been adopted by the Government and by the Parliament of Canada.

* * *

CANADIAN UNITY

APPOINTMENT OF DIRECTOR GENERAL OF INFORMATION OFFICE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question today for whichever minister is capable of answering questions on the Canadian Unity Information Office. I had intended to ask it of the Secretary of State, who is chairman of the cabinet communications committee, but unfortunately he is not here.

• (1420)

Could we have a confirmation from the ministry that the recently appointed director general is one Patrick McDouggall, formerly of Vickers and Benson, the agency which between April, 1980, and this date received $10 million worth of government advertising business through the interchange, and that Mr. McDouggall was appointed through the Interchange program which means in fact that at the end of his term he will be going back to Vickers and Benson?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will gladly look into that but, as a general proposition, I think hon. members should be careful not to impute sins to people who come from other sectors of society to join the civil service. I had a case recently with an article which appeared in *Maclean's* magazine that does that with one of my officials. I think this is unfair, is a reflection on the honesty of people, and is totally undeserved.

APPLICATION OF CONFLICT OF INTEREST GUIDELINES

Mr. John Bosley (Don Valley West): Madam Speaker, it is precisely to protect Mr. McDouggall's reputation that we wish answers to these questions.

I have a supplementary question for the Acting Prime Minister. In so far as he will be checking the appointment, which we understand to be through the Interchange program, would he confirm to the House that he is willing to check whether the conflict of interest guidelines have been followed in this matter so that we will not have a repeat in Mr.

McDouggall's case of the circumstances that surrounded the case of Mr. Phelps?

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, I can assure the hon. member that, according to our information, Mr. Patrick McDouggall has never been an employee or an executive of Vickers and Benson, and therefore his question is ill-founded if that is the situation.

* * *

NUCLEAR ARMAMENTS

APPROVAL OF NATO PLANS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Minister of National Defence. For the first time since World War II, the government of the United States has indicated that it would be prepared to initiate a nuclear attack.

In view of the statement made yesterday by the U.S. Secretary of State that the U.S. and its allies have plans which include using nuclear armaments against any conventional attack from the Soviets, can the minister indicate whether the Government of Canada, as a member of NATO, has approved of such plans?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is true that this country is part of NATO. All I can do is tell the hon. member what was decided at the last meeting of NATO ministers at Gleneagles two weeks ago. I have before me a copy of the communiqué relevant to the whole discussion, and it has been made public. It was reaffirmed then that the strategy of deterrence is the strategy of NATO—deterrence to prevent war. At the same time we recognized that the Soviet nuclear power had worsened, so in light of this the emphasis was on the need to move ahead with the implementation of both facets of the NATO decision. That means modernization of the credible deterrence of NATO at the same time that we are trying our best to control arms and prevent the proliferation of arms.

CANADIAN POSITION ON USE OF NUCLEAR WEAPONS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I find it amazing that a government that speaks of suffocating nuclear weapons from the face of the earth would join in a policy that calls for a first strike with nuclear weapons.

Will the minister, on behalf of the Government of Canada, tell the United States government that Canada is against initiating the use of nuclear weapons in any so-called conventional military conflict since even a nuclear weapon used for supposedly demonstrative purposes will lead to a nuclear holocaust throughout the world?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I should like to tell the hon. member that one has to be very realistic when talking about such subjects. I think every member of the House in whatever party is against nuclear war and, indeed, against any kind of war. It is very easy to say that we should have no war, but the most important thing is to try to find a way to prevent war. That is exactly what NATO is doing. I think that for the last 35 years NATO has been the most efficient peace movement in existence. We have not had any nuclear war for the last 35 years, and I hope we will never have one.

Some hon. Members: Hear, hear!

Mr. Sargeant: Madam Speaker, I would point out to the minister that the realism in this case is that all of us will fry if there is a nuclear war.

• (1425)

DEMONSTRATIONS OPPOSING UNITED STATES POLICY

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my further supplementary question is directed to the Secretary of State for External Affairs. Is the minister aware that next Wednesday, on Remembrance Day, over 100 American universities are planning demonstrations to join the hundreds of thousands of Europeans who have already taken to the streets to protest the madness of this new American policy, and does the minister not think that Canada, which has done so well as a peace seeker in the past, should also join in protesting this very real threat to world peace?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I understood the hon. gentleman to say that this was a demonstration of citizens, not of governments. I wonder why he thinks our government should be involved with groups of citizens in other countries. I remind him that his party's rejection of NATO is not shared by other members of this house nor by the country.

Some hon. Members: Hear, hear!

* * *

VIA RAIL

REGISTRATION OF ORDER IN COUNCIL CANCELLING PASSENGER SERVICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a question for the Minister of Transport. It arises out of the question related to the order in council which proposes to reduce rail passenger service in this country by 20 per cent. Last week, on October 28, the Minister of Transport stated in the House that the order in council did not need to be registered and that, if there was any doubt about it, he would pass a new one. Just this past Tuesday the minister undertook to register Order in Council P.C. 1981-2171, 88 days after it was issued. This would seem to violate Section 9 of the Statutory Instruments Act, which calls for registration to come within seven days of the order being issued.

What caused the minister to change his mind, and why did he choose to register the old one rather than issue a new one?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I still maintain that it was not necessary—I underline "necessary"—to register the order in council referred to. Some of my reasons for believing that are based on precedents which even the hon. gentleman who asked the question established. However, I said that if there was a shadow of a doubt—I underline "shadow of a doubt"—that registration would be useful, if not necessary, I would proceed to register the said order in council. This is what was done to remove that shadow of a doubt, and I still maintain—and my lawyers maintain—that the procedure of registration at this time will not affect the legal status of the order in council, nor the substance of it, nor the date of its implementation, nor the effect that it has on notices given to railway employees.

LEGALITY OF REGISTRATION

Hon. Don Mazankowski (Vegreville): Madam Speaker, perhaps in attempting to clarify the issue the minister has simply clouded it further, because legal counsel to the Joint Standing Committee on Regulations and other Statutory Instruments, Mr. J. C. Eglington, has offered an opinion on the actions of the minister in terms of this registration as of last Tuesday. He states in a written opinion, and I quote:

—registration of the existing order in council as at today's date should be an unattractive proposition for the Department of Transport. It would raise too many nice legal questions, not only on Section 5 of the act but also on Sections 3, 7, 8 and 11—

What does the minister propose in response to that legal opinion by a very distinguished servant of the committee, and can he ensure that, as far as he is concerned, the late registration will fulfil all the necessary requirements in terms of proper notification to the workers who will be laid off?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the opinion expressed by my hon. friend may be right. I tried to be accommodating, as I usually do, and to show respect for the Statutory Instruments Act in this particular instance. The debate referred to is one which has been going on, I understand, for a long period of time between Mr. Eglington and lawyers from the Department of Justice. I cannot solve this debate on my own. I thought I would make a friendly contribution in acting the way I did.

Mr. Lawrence: You made it worse.

Mr. Pepin: Be that as it may, the federal tribunal will have an occasion on, I think, Monday of next week, to throw some light on the subject. We will wait and see what it does.

REQUEST THAT IMPLEMENTATION OF ORDER IN COUNCIL BE DEFERRED

Hon. Don Mazankowski (Vegreville): Madam Speaker, in light of the legal confusion which surrounds this whole matter, in light of the fact that now the government of Saskatchewan has joined the action of the cities of Melville and Watrous and Transport 2000, in light of the fact that Saint John, New Brunswick will be launching a legal action, and the city of Edmonton, the province of Alberta and perhaps a group in Ontario will launch similar actions seeking an injunction on the proposal to discontinue 20 per cent of the rail passenger service in this country—plus there is the potential of the Interstate Commerce Commission in the State of Maine taking action—why will the minister not now defer the date of implementation and refer the matter to the appropriate courts so that the whole issue can be clarified and settled once and for all?

● (1430)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have apparently no reason to do that. I have made the case repeatedly—

An hon. Member: When?

Mr. Pepin: —that the use of Section 64 for the purpose of issuing an order in council to amend some orders of the Canadian Transport Commission is entirely legal.

An hon. Member: It is unilateral.

Mr. Pepin: The Standing Committee on Regulations and Other Statutory Instruments has not denied that at all. Therefore there is no reason for us to change our minds about the way this was done. Presumably Monday next we will know more about the subject after the Federal Court has heard the case.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. LUCIEN LAMOUREUX

Madam Speaker: I cannot resist the temptation of drawing the attention of the House to the presence in our gallery of one of my illustrious predecessors, the Hon. Lucien Lamoureux.

Some hon. Members: Hear, hear!

* * *

[*English*]

INDUSTRY

PROPOSAL TO RATIONALIZE PRODUCTION OF RUBBER TIRES

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. More than a year ago, in fact, on July 3, 1980, I asked the minister if he would soon reply to a proposal made by certain manufacturers of rubber tires that supply the automobile industry, the construction and farm machinery industry, which would allow them to rationalize their production. The minister

said at that time that he would advise the manufacturers very soon. Fifteen months have now passed since that question was asked. Would the minister give us some idea when he will respond to this proposal?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in working on this proposal I thought it advisable to make sure that I had the views of the workers in the industry as well as the views of the individual firms. On consulting with them, I found there were strong differences of opinion about the advisability of this particular proposal in terms of its suiting the best interests of the workers and the industry in general. We are doing further work in the area to see if we can come up with a proposal that will respond to the concerns raised. I hope it will be possible to make some announcements on the matter before too long, although I think it will be some period of time yet before I can announce any decision.

PROPOSAL MADE BY FIRESTONE CORPORATION

Mr. Bill Kempling (Burlington): Madam Speaker, I have a supplementary question for the same minister. The Minister of Industry, Trade and Commerce has received a proposal from Firestone Canada Inc. that would allow Firestone to rationalize its production and permit duty remission on certain product lines. Firestone has negotiated a labour agreement with its employees to allow changes in work schedules. In fact Firestone has hired and trained several hundred new people anticipating the minister's action. When will the minister be likely to have a reply for Firestone? Several employees have petitioned members of the House of Commons about the matter a and some have commented that they hope Firestone will not be another Admiral Corporation which had its employees out on the street looking for jobs. The Firestone employees see this rationalization as a solution, and they would like an answer from the minister as soon as possible.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the Firestone Company presented a proposal pertaining to its own operations and the rationalization it had in mind. Essentially it is urging that we proceed on a proposal for the Firestone company, quite apart from anything from the industry. I think this raises some significant questions for the industry as well as for Firestone that we simply have to address properly.

I have had some strong representations on the matter from my colleague, the Minister of Indian Affairs and Northern Development, from other Hamilton members, as well as from Firestone employees. I am taking the interests of the workers in that company very seriously, and I hope to have an answer on the matter before too long.

Oral Questions

THE ECONOMY

QUERY RESPECTING MINISTER'S VIEWS AND PLANS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Finance I would like to direct my question to the Minister of Industry, Trade and Commerce. It was mentioned that Canadian Admiral is laying off literally thousands of workers and that its assets have been seized by the banks. In light of the fact that domestic car sales for the month of October are down 35 per cent year over year and there have been lay-offs in every single industry right across the country, is the minister now prepared to admit that the Canadian economy is in a recession? Is the minister now prepared to admit that unemployment is at least as serious a problem as inflation for Canadian workers, and what is the minister going to do about it?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think the statistics speak for themselves. There is no doubt that there are difficulties with the economy, even though there are indications that over the past year there have been some positive developments—

An hon. Member: Where?

Mr. Gray: —such as the very strong rate of job creation. The situation that my hon. friend mentioned is not confined to Canada. The U.S. economy is very weak, which has been confirmed by the American administration. This is a very important reason for difficulties in some of our industrial sectors, particularly the automotive one, because we export to the United States some 80 per cent of our production of vehicles and individual automotive parts. Therefore, we have been looking into the situation with a great deal of urgency.

I think my hon. friend should look forward to the budget in a few days. Obviously I cannot say what may or may not be in it, but I think it will give an indication of the way we have been addressing the very serious concerns that we all share on current developments.

ECONOMIC STRATEGY

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I noted the minister did not answer either part of my question. First, I asked whether the minister would admit that the economy is in a recession. Certainly he is in a position to know. Second, I asked whether or not he feels that unemployment is as serious a problem as inflation. I would like an answer to both of those questions. The Minister of Finance has been saying that inflation is the focus of the government's economic strategy and that unemployment is not regarded by the government as a serious problem. Does the minister think the country is in a recession now, and does he think that unemployment now is as serious a problem as inflation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, definitions of recession and like matters are matters of debate among economists. However, as

I have said, I do not think we are debating this. Current economic indicators show a serious situation about which we have to be prepared to take appropriate action. Certainly we are very concerned about unemployment. There are definite links between unemployment and inflation. To respond properly to the needs of the country I think the government has to deal with both unemployment and inflation, and this is what we are prepared to do.

* * *

ENERGY

INCREASED PRICE OF GASOLINE

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Since the minister accepted his responsibility for the national energy policy, in many areas, the price of gasoline to the Canadian consumer has increased by almost 100 per cent. In my home town the price of gasoline on December 1, 1979, was $1 a gallon. Today it is $1.84 a gallon.

Some hon. Members: Shame.

Mr. Gustafson: On December 1, 1979, diesel fuel was 72 cents a gallon. Today it is $1.31 a gallon. That is a 59 cent increase.

An hon. Member: That is a disgrace.

Mr. Gustafson: On December 1, 1979, purple gasoline for farmers was 82 cents a gallon—

Madam Speaker: Order, please. If the hon. member has a question, I can allow it.

Mr. Gustafson: Excuse me, Madam Speaker, I probably get carried away on this very serious subject. These increases are unequalled. What does the Minister of Energy, Mines and Resources plan to do for the people of Canada who have been ripped off and who have had to accept taxation of $52 billion?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member has a very short memory in two respects. First, he has been making speeches in this House and attacking me over the past year in order to get higher prices for gasoline, not the lower prices.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): You are a good target.

Mr. Lalonde: Second, my hon. friend does not seem to remember the infamous budget of the hon. member for St. John's West which would have led to even higher prices than the ones we have at the present time.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Withdraw.

PRICE OF FUEL USED IN PRODUCTION OF FOOD

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a supplementary question. I would ask the Minister of Energy, Mines and Resources to rethink what he has just said in this House. As I mentioned earlier, farmers in the constituency of Assiniboia are faced with prices for diesel fuel that have increased almost 100 per cent. Will the minister consider some action in relation to the production of food, action which is so essential to the farmers of this country who are in dire straits?

● (1440)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the plight of the farmers and the farming community is very much in the heart of this government, and we have a Minister of Agriculture who has been doing an outstanding job for many years, ever since he has been in that portfolio. Our concern for the farmers takes the form of many programs that this government, and particularly the Minister of Agriculture, have been leading through Parliament. The issue of fuel prices is only one element of the total cost to farmers, and we are trying to address the total income position of the farmers to make sure the farmers of Canada will continue to improve their lot over the years, continue to be a thriving and dynamic community, and continue their dynamic contribution to the welfare of the country.

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[*Translation*]

VIA RAIL

INQUIRY WHETHER SERVICE BETWEEN EDMUNDSTON AND MONCTON WILL BE MAINTAINED

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, a few weeks ago, the Minister of Transport received a request asking that at least a reduced weekly service on the Edmundston-Moncton VIA Rail route be maintained until other means of public transport are in place. This is a matter with which the minister is very familiar. I would like to ask the minister today whether he has made a decision. If so, what is it? If not, will his door remain firmly closed to any constructive suggestions in this regard?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I recognize that I had promised to make the greatest effort to achieve this objective of bringing about an improvement in the other means of transport between Edmundston and Moncton. I shall have the opportunity in the very near future to report to the hon. member on the results that I have achieved.

[*English*]

VETERANS AFFAIRS

PROCESSING OF APPLICATIONS FOR DISABILITY PENSIONS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my question is for the Minister of Veterans Affairs. A recent War Veterans Allowance Board decision has expanded the terms of eligibility for veterans' pensions to include those veterans who, during the last war, served in non-combat areas such as Newfoundland and Jamaica on the same basis as those veterans receiving pensions who served in a theatre of war. Will the minister inform the House whether his department has begun processing these new applications and, if so, will they be dealt with as soon as possible?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I want first of all to thank the hon. member for giving me notice of this question. The answer is yes, they will be processed immediately.

TERMS OF ELIGIBILITY

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in light of this decision by the board will the minister give further consideration to broadening the terms of eligibility for pension benefits to include those veterans who, through no fault of their own, were stationed in Canada during the war and not given the opportunity to serve overseas but up to now have not been eligible for pensions?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the war veterans allowance when it was first initiated, as the hon. member probably knows, was restricted to individuals who were actually involved in front line service. As time went on that question boiled down to equating it to front line service. At the moment there are basically four criteria; having served in an active theatre of war; being a veteran who served in both wars; service in dangerous waters; or a disability pensioner. I am sure the War Veterans Allowance Board, just as it did in this particular instance in opening up the war veterans allowance benefits to those who served in Jamaica and Newfoundland, will continue to look at ways and means of further extending those benefits to other veterans.

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PENITENTIARIES

INFORMATION ON RELEASED PRISONERS GIVEN TO ROYAL CANADIAN MOUNTED POLICE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. Is it the policy of his department or prison officials to provide the RCMP with the record of criminal activities engaged in by a prisoner while in prison, passing that information on to the RCMP after release of that prisoner?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the practice is to do that, so the answer is yes.

NATURE OF INFORMATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I wonder if it is the practice of the Solicitor General or his department and the parole officers to provide the RCMP with information other than the computer print-out list when a prisoner is released.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, it depends on the circumstances. When an inmate is released who might, although he has served his time and paid his debt to society, constitute a danger or a risk to the community to which he is going, the prison officials and the parole board will make information available to the police authorities and others in the community which it might be in their interest to know in order to provide protection for that community. If the hon. member has some specific problem in mind I would be glad to hear more about it and provide additional information for him.

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AGRICULTURE

LEGISLATION TO INCREASE FUNDING FOR FARM CREDIT CORPORATION

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, my question is for the Minister of Agriculture. It is a well-known fact that the Farm Credit Corporation requires funding of $200 million right now on an urgent basis in order to help those farm operations that are in great financial need. I want to ask the Minister of Agriculture how soon legislation will be ready dealing with the Farm Credit Corporation amendments which would allow that corporation to borrow money from the private sector, or from private capital markets, and would the minister, through the President of the Privy Council, seek agrrement from all House leaders for quick passage of that legislation through this House?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the draft legislation is prepared. How quickly it will reach that stage in which it is in a form to be presented to the House I do not know. I hope this will follow the lines the hon. member has stated. We realize the urgency of having emergency credit for farmers. The Farm Credit Corporation has been the federal lending institution, and at one time in this nation loaned nearly 70 per cent of all long-term money for farmers. That is now down to about 20 per cent of long-term money. The need for an organization which understands rural Canada still exists, perhaps to an even greater extent today than before.

Oral Questions

TRADE

IMPORT QUOTAS ON FOOTWEAR

Hon. George Hees (Northumberland): Madam Speaker, will the Minister of Industry, Trade and Commerce advise the House when the government expects to announce that import quotas on footwear, which are due to expire on December 1 next, will be continued into the future as these quotas are very much needed to enable Canadian producers of footwear to obtain a reasonable share of the market so that many thousands of Canadian footwear workers will have jobs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the cabinet is very close to completing its work on the appropriate elements of a new policy for the Canadian footwear industry for the future. We are very much aware that the present system of quotas will expire on December 1, and we know the need of our industry, including its workers, to be able to plan for the future. We are very aware of the importance of the industry to many parts of the country, and I look forward to making an announcement really quite soon.

ENTRY OF PRODUCTS FROM THIRD WORLD COUNTRIES

Hon. George Hees (Northumberland): Madam Speaker, I am very pleased to hear the minister state that he expects to make an announcement in the very near future. I hope it will be the kind of announcement I have been urging him to make for many weeks.

As a supplementary question I would like to ask whether the delay in making this announcement has been due to an expressed wish by the Prime Minister that markets such as Canada should be opened up to producers of the Third World, where labour costs are so low those producers can greatly undersell Canadian producers, the result of which would be to put many thousands of Canadian footwear workers out of work.

● (1450)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the time factors are related primarily to our earlier effort to put in place an appropriate policy for the textile and clothing sectors. We received the report of the Anti-Dumping Tribunal only on March 6. Once we had completed our work with respect to a new program for the textile and clothing sectors, we moved on to work on a policy for the footwear sector and, as I have said, I look forward to an announcement very soon, one that responds to the concerns and interests of all those involved.

The points my hon. friend has been making to me are very much the kind raised by many members on this side of the House. I look forward to be able to make an announcement, and I hope it will be one that will receive wide assent in the country and in this House.

IMMIGRATION

STATUS OF SHIP JUMPERS IN VANCOUVER AREA

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Minister of Employment and Immigration. I want to refer the minister to the statement which he made last week which was good news for some visitors from Poland who will be helped in their bid to stay in Canada, and also for the self exiles in eastern European camps. There is no mention about the 200 ship jumpers in the Vancouver area claiming refugee status and who are having to wait up to two years before they can determine whether they are eligible for refugee status.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member knows that not only did we increase the level of intake of refugees from eastern Europe but we also announced in the previous week relaxed criteria that applied to those here in Canada who are being sponsored by families or, if they are in Canada, that they would be granted work permits to allow them to gain employment for a year until the situation is clarified.

It is my belief that the people who are already landed in the Vancouver area would be eligible under those requirements. I will ask my immigration officials to take that into account.

ADMISSION OF REFUGEES FROM EL SALVADOR

Mr. Dan Heap (Spadina): Madam Speaker, my question is also for the Minister of Employment and Immigration. In view of the minister's generous relaxation of immigration regulations, which has just been referred to, for Polish people who are unwilling to return home, as he puts it, and in view of the more than 100,000 Salvadorans who fled their country because of the massacre of 20,000 there, many of whom wish to enter Canada but are prevented from doing so because of lack of access to Canadian immigration officers, will the minister do as he did when he sent the special team to Austria on behalf of the Polish people, and send a special team to Latin America for the purpose of interviewing El Salvadoran refugees who wish to come to Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member was not in the House at the time, but I will tell him that during last spring and summer we announced similar relaxed criteria for those from Salvador as we applied to the Polish refugees. Furthermore, we sent a special team down to South America to examine the situation and report back. We have, in fact, applied the same conditions.

I would point out to the hon. member that it is the position taken by the United Nations High Commission on Refugees that they do not want to encourage any large-scale movement from Central America because their priority for that region is for resettlement within El Salvador, or within the region itself. Because so much of our refugee policy is done in consultation

with the United Nations, we do not want to contradict their very strong advice and guidance to us.

REQUEST THAT ADVISORY COMMITTEE TRAVEL TO CENTRAL AMERICA

Mr. Dan Heap (Spadina): Madam Speaker, in view of the fact that many thousands of those refugees are not being relocated and integrated by the United Nations Commission—there are 6,000 in the United States, many of whom have sought to enter Canada and have been turned back by Canadian officials and refused consideration for refugee status—will the minister direct the Canadian immigration staff in the United States and elsewhere to assist El Salvadoran refugees to enter Canada quickly so they can be reviewed by the Refugee Status Advisory Committee? Alternatively, will the hon. gentleman direct the Refugee Status Advisory Committee to go to areas with no Canadian representation—many countries in Central America have no Canadian representatives—and review the status of those people who seek to be refugees in Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): I would suggest it would be wise to check the facts of the hon. member's statements. Again, in the statement we made last spring in relation to El Salvador, we indicated that we were prepared to take El Salvadoran refugees from the United States who are not being granted status there. We were prepared to accept them here and we have a number of those cases in process at our embassy in Mexico which are being looked after by our immigration officers.

If the hon. member knows of cases that are being rejected, I would be pleased to look into them. Those are the rules and guidelines established and, as far as we know, those rules and guidelines are being honoured.

* * *

INDUSTRY

EFFECT OF UNITED STATES COURT RULING ON TIRE INDUSTRY IN NOVA SCOTIA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a brief question for the Minister of Industry, Trade and Commerce. He was questioned earlier by my colleague about the Canadian tire industry. He will know that there has been a recent court ruling in the United States which had the effect of varying or diluting the countervailing duties placed on Michelin tires. Since the tire industry is a very important one in Nova Scotia, which is in the foreground of technology, is the minister taking any steps or making any plans to take any steps in view of the recent court ruling, to further vary or change this dangerous and seldom used precedent that still has the effect of being a hindrance to the Canadian tire industry in Nova Scotia?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in our work for an appropriate policy for the Canadian tire industry we are taking into account all the relevant elements and all its aspects, including Michelin in Nova Scotia.

* * *

GARRISON DIVERSION

SUGGESTED DISCUSSIONS WITH UNITED STATES REPRESENTATIVES

Mr. Jack Murta (Lisgar): My question is directed to the Secretary of State for External Affairs. As the minister knows, the United States has approved $4 million for the Garrison Diversion Project in North Dakota under wording which instructs the United States Department of the Interior to resume work on the project in spite of the recent court ruling by Justice Ritchie. That particular instruction is in the form of a budget bill. It goes to the House of Representatives next week.

Since the House of Commons has unanimously signalled its concern over this project, is the government now contemplating sending an all-party committee made up of members from the House of Commons and possibly some representatives from the province of Manitoba, to Washington so they may be there next week to sit down and talk on a personal basis with the members of the House of Representatives who will be discussing this issue?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the language which has been adopted by the Senate is identical to the language which I referred to in the House the other day and includes a direction that none of the money which is being appropriated may be used for construction which in any way affects Canada's interests. So there is within the bill itself that guarantee to us, in addition to the assurances we have received from the United States administration.

Nevertheless, I would be less than frank with the hon. member if I did not say to him, and I think he well knows, we are concerned about any expansion of this project because at some future time that might provide ground for pressures to extend it in a way which might harm us. I will certainly give consideration to his suggestion. I will consult the Minister of the Environment, the Minister of Employment and Immigration and other hon. members, as well as our sources in Washington, to see if it would be of assistance for us to have such a delegation there next week or in the future.

REQUEST THAT MINISTER CONSIDER FURTHER REPRESENTATIONS

Mr. Jack Murta (Lisgar): Madam Speaker, a brief supplementary—

And Mr. Trudeau having entered the chamber:

Some hon. Members: Hear, hear!

Mr. Murta: My supplementary question is to the Secretary of State for External Affairs. One of the real problems that Manitobans have over the wording of this issue is that it may open the door at some future time for Congressional supporters of the project to push through approval and, of course, if it passes the House of Representatives next week Canadian concerns may not be adequately represented, certainly at the diplomatic level. This is why it is so important that we in this House of Commons—

● (1500)

And Mr. Clark having entered the chamber:

Some hon. Members: Hear, hear!

Madam Speaker: Has the hon. member for Lisgar finished his question?

Mr. Murta: Madam Speaker, I am sure this has been the longest question in the history of House of Commons with the fewest number of words. Will the minister take this into consideration and get back to the members of the House of Commons as soon as possible on this issue?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have the feeling that my hon. friend and I are standing in the way of history, so I will answer the question by merely saying yes.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, following the historic agreement concluded a few moments ago, I can confirm that there have been consultations among the spokesmen for all parties and that we have agreed to allow the Right Hon. Prime Minister of Canada to make a statement about that historic agreement at the earliest opportunity, that is in a few minutes, and that the rest of the orders be postponed accordingly, keeping in mind the fact that the Prime Minister of Canada will receive tonight a significant award, the Family of Man Award, presented by the Council of Churches of the City of New York. He must leave us at 4.55 p.m. at the latest to receive that distinctive award. The agreement is that, according to Standing Order 15(3), all questions be interrupted and completed at 4.55 p.m. at the latest this afternoon. I thank the spokesmen for the opposition parties for their courtesy on this occasion.

Madam Speaker: Does the House confirm this agreement?

[*English*]

Mr. Nielsen: Madam Speaker, we have agreed to the statement being made. The President of the Privy Council said nothing about the conventional right of reply of the Leader of the Opposition and the Leader of the New Democratic Party (Mr. Broadbent). I assume that will be part of the agreement.

Mr. Pinard: Yes, Madam Speaker.

Mr. Deans: Madam Speaker, we have also agreed on the understanding that the Leader of the Opposition and the Leader of the New Democratic Party will be given an opportunity to reply.

* * *

THE CONSTITUTION

TABLING OF ACCORD SIGNED BY GOVERNMENT OF CANADA AND NINE PROVINCIAL GOVERNMENTS

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would like to table copies, in both official languages, French and English, of the signed accord agreed to this morning between the federal government and nine of the provincial Premiers. If I can do that at this stage, later in the proceedings we might find other copies. This is the only one I have with me; I am sure copies will be distributed. The substance of the accord is probably known by now to members of this House.

I will not explain it in any detail except to say that we have by consensus constitutionalized an endeavour begun in this House more than a year ago to bring Canada's Constitution to Canada, to have in it an amending formula and to have in it a charter of rights binding all levels of government.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would first like to thank most members of my caucus, particularly the Minister of Justice (Mr. Chrétien) and the ministers of this government who have stood steady in the endeavour to achieve these three objectives. The applause that we have just heard is a just expression of our happiness with this outcome, having after 54 years of failure succeeded in gaining the consensus to give Canada its Constitution with an amending formula, and into the bargain to put in a charter of rights, particularly in the area of language rights. Therefore, I want to thank the members of my caucus.

I want to thank the leader of the New Democratic Party (Mr. Broadbent) and the members of his caucus who have supported this effort. It was to that degree a joint effort. There were a great many discussions engaged in between members of my caucus and his.

I would also like to thank the hon. member for Edmonton East (Mr. Yurko) who at the beginning of this operation, in May 1980 if I recall, offered a motion to this House, which was supported unanimously, to the effect that we should patriate with an amending formula regardless of all the difficulties.

Some hon. Members: Hear, hear!

Mr. Trudeau: The task is not yet done. We have in this House to look either at amendments to the resolution before both Houses of Parliament, a joint resolution, or, alternatively, to a new resolution which would incorporate the patriation and all the elements of the charter with a couple of *non obstante* clauses and an amending formula in lieu of the one that was in there.

I hope that the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party will agree to consult with me in the course of tomorrow to see in what ways this joint resolution can be presented in a fashion and a form which hopefully will permit a speedy passage through this House in a spirit of harmony as a result of these strivings, and incorporating, as I say, these three objectives; and hopefully in a form too which will facilitate its passage in the United Kingdom Parliament. One last time our Constitution will be amended there, and that will be the last time.

Some hon. Members: Hear, hear!

Mr. Trudeau: I have already talked to the government House leader in the other place because there is a change which affects them in this accord and a change which was put forward in the compromise amending formula. I know the reason for their veto up to now was that they felt it their duty to protect the provinces. However, after consultation with the House leader in the other place, I feel we can be hopeful, now that the provinces themselves have consented to this, that they will accept this amendment too.

● (1510)

[*Translation*]

Finally, I wish to express, as I already did this morning at the closing session, my regret that the only signature lacking in this Canadian harmony is that of the Premier of Quebec. We, on the government side, remembered the resolution passed by the Quebec National Assembly urging us to continue negotiations, to avoid proceeding unilaterally and to seek compromise solutions that would not take away from Quebec those jurisdictions which the Quebec government has under the Constitution. We remembered this resolution, and we do believe that we have acted in accordance with the intent of the unanimous resolution passed by the Quebec National Assembly, since we did reopen negotiations, we did continue the consultation process and we are, in fact, no longer acting unilaterally, since nine provinces have agreed with us on the procedure we have adopted.

Madam Speaker, I believe it is essential at this stage to clarify two or three points. Clearly, there is no disagreement on the patriation issue. As for the amending formula, it is, with one exception, exactly the same as the formula negotiated and accepted by the province of Quebec and the Group of Eight and made public on April 16 of this year. In other words, I want my fellow citizens in Quebec to understand that Quebec has retained the same veto right and the same opting-out right they were offered in the April 16 agreement, an agreement which received the approval of Premier Lévesque. So it cannot be said that we are taking away Quebec's traditional veto right. He has exactly the same veto right he asked for in the so-called Group of Eight Accord formula, and exactly the same opting-out right. What has been removed, Madam Speaker, is a constitutional provision that would have obliged the national government to compensate, in financial or fiscal terms, a province that would exercise its opting-out right, and conversely, would probably have obliged the provinces to compensate the federal government for parting with any of its jurisdictions.

We deleted this measure, with the agreement of the nine provinces, for a very simple reason. We want to avoid a situation in which the national government would be prevented from having its constitutional amendment approved by a province that would say: I am opting out and you are going to pay me for doing just that. And this, I can assure the House, does not apply only to Quebec. I am thinking, for instance, of a constitutional amendment pursuant to which the Canadian government would want to amend the Constitution so as to allow the national government to legislate on pensions and make them portable for the elderly from province to province.

If one of the wealthy provinces such as Alberta or Ontario—and this obviously applies to Quebec as well—were to say that it was opting out of the agreement and that we would be obliged to pay compensation, this would make it impossible, Madam Speaker, or at least very difficult, both fiscally and financially, to adopt such a measure. And it is for this very simple reason that the passage was removed—it is an important one, I realize that—from the April accord. It was done with the consent of the nine provinces, and this morning I explained at length the spirit in which it was done to the Premier of Quebec. Naturally, the political right, the constitutional right, to negotiate compensation remains, but it is a right to negotiate and not a pre-established obligation. So as far as the amending formula is concerned, Madam Speaker, I believe we have acted in accordance with the wishes of Quebecers and those of the Quebec government, with the exception of this point.

As far as the charter is concerned, the Premier of Quebec told us this morning that he agreed with the charter and would be able to sign it except for two points. However, it is important to understand that on the whole the charter received the approval of the Quebec government and that consequently nothing has been taken away from Quebec against the will of its government.

The two exceptions are mobility rights, the right of Canadians, irrespective of where they live, to seek work and to settle anywhere in Canada. We had to change the wording of these mobility rights to dispel the legitimate fears of Newfoundland, and we offered the same possibility to Quebec. Before the resolution is passed, if Quebec can let us know how an

amendment acceptable to the others and acceptable to us could be introduced, I am sure we would be able to find a compromise solution, as we did for Newfoundland. Finally, the only other point on which there was disagreement was the obligation for each province to undertake freely to protect its official language minorities.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think the applause is an indication how strongly we feel we have won a major victory in the long struggle of francophone minorities to obtain education rights for their children. This was achieved in all nine anglophone provinces by their agreement this morning. Quebec did not give its agreement, I might say it has not yet given its agreement. I explained that if it was a matter of changing the wording, we would also be willing to do that, provided the intent, which surely reflects the intent of all Canadians who believe in justice, is preserved, that is, to ensure that francophone and anglophone minorities are treated fairly. I am convinced that between people of goodwill acting in good faith, a way can still be found to express this. If we do not succeed today or tomorrow, I am convinced we could and should find a solution within a matter of weeks or months, so that the Quebec government will be able freely to undertake what all free men and women of goodwill would certainly expect it to do, that is, the constitutional protection of its minorities. I have said before that historically speaking, Quebec certainly does not need to be told what to do in that respect. We have always treated our language minorities fairly with regard to education—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and like Mr. Lévesque this morning, I now wish to ask the legislators of the province of Quebec, the members sitting in the National Assembly, to consider the importance of the agreement that was signed today. Under this agreement, in terms of official languages at the federal level and in New Brunswick, and in terms of official languages in education in all provinces, francophone minorities have seen history being made. I only hope that our fellow citizens in Quebec will see this historical gesture repeated, as far as Quebec's jurisdiction is concerned.

Some hon. Members: Hear, hear!

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my colleagues and I are naturally happy to have this matter back in the House of Commons and in Parliament. If I may, at the beginning I want to express our appreciation to the Prime Minister (Mr. Trudeau)—

Some hon. Members: Hear, hear!

Mr. Clark: —for reporting so quickly to the House of Commons. May I say that I hope it will be a practice which will be followed regularly by all ministers on important matters. But I certainly appreciate the Prime Minister coming directly from the conference to the House which has been so occupied with this matter for such a long time.

• (1520)

It was evident from watching the televised responses of first ministers at the conference that many participants in the conference just concluded feel a very real sense of satisfaction and accomplishment at the prospect of a constitutional resolution which is likely to be dramatically different from the constitutional resolution proposed to the House of Commons more than a year ago by the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Clark: Certainly there is a real sense of satisfaction among many of us in the House and, if I may say so, particularly among many of us in this party. The first ministers met today because the judgment of the Supreme Court of Canada allowed them to meet. The Supreme Court of Canada had the opportunity to judge this question because this party won that right for the court during a long and difficult fight on the floor of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: On behalf of the people of Canada we fought for the principle that our Constitution should be decided in our country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: For nearly a year, the Progressive Conservative Party has fought in Parliament against a resolution which it felt was dividing the country, thereby making it possible for the Supreme Court to consider the resolution and bring in its decision.

[*English*]

I have spoken of satisfaction, but the dark shadow across any satisfaction we might feel today is the fact that the province of Quebec was not able to support the agreement at the conference. The prospect exists, therefore, that Quebec will be isolated and alone on a constitutional question. The consequences of that isolation must concern every Canadian who wants our nation to remain united.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: We have just received a copy of the press release. We have not yet examined the text of the new resolution to be submitted to Parliament. During this conference, however, we have heard the Prime Minister of Canada and the Premier of Quebec discuss some of the issues which have resulted in Quebec's isolation.

[*English*]

One issue, as the Prime Minister indicated, concerns compensation for provinces that do not take part in certain programs. If I heard the Prime Minister of Canada correctly, he said he believed that this was a matter which could be resolved outside the context of the Constitution. If the question can be resolved on its merits, and if including in the constitutional accord a formula for resolving it, may make the package more acceptable to the province of Quebec, surely we should seek to resolve within the Constitution an agreement which the Prime Minister said can be resolved outside the Constitution.

Again if I heard the Prime Minister correctly, he believes that further discussion may lead to some agreement on the question of language rights. He reiterated that today when, in speaking about the acceptance by the province of Quebec, he said that there had not been acceptance by that province *pas encore*, not yet, indicating that he thinks there may well be some acceptance. If that is so, the new resolution proposed to be presented to Parliament should be refined to seek the unanimity which would be preferred by all of us who want to keep the country intact.

An hon. Member: Oh, oh!

Mr. Clark: There is some heckling across the way which I regret on this occasion, particularly since it comes from the minister of fisheries; but perhaps that is to be expected.

There will be more to add in the House when we have seen the exact language of the new resolution the government will want to introduce. The Prime Minister has asked the opportunity to consult with me and to consult with the hon. Leader of the New Democratic Party (Mr. Broadbent). Naturally we would be prepared to meet with him to discuss the general question of timing. We would be prepared to do that at his earliest convenience.

What is important is that the events today have indicated that much more agreement is possible in Canada than many Canadians had previously believed to be possible. As the Prime Minister reminded us often, and again today, this process began some 54 years ago. The first ministers have just emerged from four days of intensive discussions and some real agreement. Soon the matter will be back in the House of Commons and naturally we will want to consider all the implications of a resolution which is dramatically different from that which we considered before. It may be that, just as Parliament improved the last resolution, Parliament may find solutions to some of the matters not resolved by the first ministers. Certainly all Canadians who value the unity of our country would want us to accept our full duty to find even broader agreement than was reported today.

We have found that honouring the federal-provincial process has resulted in significant progress on the Constitution. This Parliament, whose vigilance and determination allowed the Supreme Court of Canada to decide and allowed the first ministers to meet again, welcomes the progress which has been made so far, and this Parliament looks forward to contributing to even further progress and even further agreement.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, at the outset I should like to offer my deepest congratulations not only to the Prime Minister (Mr. Trudeau) but to the Premiers of the provinces, reflecting highly divergent personal views, highly divergent regional interests and highly divergent partisan concerns, for producing for us today in a desirable process a broad Canadian consensus.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to say also at this point that when this process began in the House, as the Prime Minister reminded us a few minutes ago, just over a year ago we in the New Democratic Party had three objectives. We wanted an independent Canadian Constitution, we wanted a workable amending formula, and we wanted a charter of rights for all Canadians. We were determined from the outset, reflecting upon the deep traditions of our own party and movement, as well as the traditions of other parties, to ensure that at the end of the process which began a year ago we would end up with a document that achieved those three objectives.

● (1530)

In the process, Madam Speaker, we well know that there were some important Supreme Court decisions, first at the provincial Supreme Court level. Finally the Supreme Court of Canada made a ruling that caused all of us, I might say in passing to the Leader of the Opposition (Mr. Clark), to say at the time that the decisions of the superior court in Canada could not be ignored because they are an integral part of our political system. They had to be respected. Members of all parties, going right back to the decision made by the Supreme Court of the province of Newfoundland and ending in the decision made by the Supreme Court of Canada, said that the judicial process, as part of our political system, had to be respected. That has been done.

Some hon. Members: Hear, hear!

Mr. Broadbent: Most specifically, in light of the recent decision that said, on the one hand, to those of us in federal politics that what we were doing was legal—on a certain resolution that we had before us—and, on the other hand, that a broader consensus had to be achieved, there was one course of action that was singularly appropriate, and that was to have a new conference. My party called for that conference right after the Supreme Court decision.

I am pleased to say—and I do not think one should be grudging about this because it seems to me a spirit of generosity and magnanimity flowed through all parties in the building not far from here today, and therefore it behooves us to demonstrate the same concern—that all parties in the House responded to the implications of that Supreme Court decision which came down a few weeks ago.

What we have seen today is a reflection of the best Canadian tradition of compromise. Conservatives, Liberals and New

Democrats, Newfoundlanders, Albertans, people from Ontario and British Columbia, have come together to achieve a document that in terms of the process, I emphasize, was incomparable in its spirit of magnanimity and give and take.

I want to say that it is the deeply felt view of my colleagues and myself that the charter of rights that we fought for, the independent Constitution that we fought for, the amending formula that we fought for and that we had built into the old document, when we see them in their new form, in the present document that has been agreed upon, will contain acceptable and desirable alternatives. I strongly hope that is the case.

[*Translation*]

In conclusion, I must say I am personally very sad that the Quebec government has not deemed it possible to sign the agreement. Because it represents a very special region and a unique nation in Canada, its decision is of paramount importance. I hope that future amendments will make it possible for the Quebec government to change its mind.

[*English*]

The Prime Minister has indicated that certain efforts will be made to achieve that very desirable goal.

I think it is a fundamental commitment of members on all sides of the House that when it comes to the people of the province of Quebec, we must do everything we can to make Quebecers feel that they can be at the same time Quebecois and good Canadians.

Some hon. Members: Hear, hear!

Mr. Broadbent: I will conclude, Madam Speaker, by again congratulating the Prime Minister and the Premiers involved in this very difficult process on what they have achieved today. I want to indicate that I will be only too willing to sit down with the Prime Minister and the Leader of the Official Opposition tomorrow to work out the specific details of how we can bring this important process to a final and productive conclusion.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I direct the usual Thursday question to the President of the Privy Council and ask him what the business of the House is going to be for the remainder of this week and as far into next week as he can tell. There is, of course, Remembrance Day next Wednesday and there is, of course, the budget on November 12. I wonder if the minister could fill in the gaps so that we may know where we are going next week.

Mr. Pinard: Madam Speaker, as I told my hon. colleague before question period, we will have a House leaders' meeting at five o'clock this afternoon.

Mr. Clark: Just for precision, can we assume that the budget will be brought in on November 12?

Mr. Pinard: Madam Speaker, it is up to the Minister of Finance to give the proper notice of this so I will not do his job. He is able to do it himself, and very well.

Mr. Clark: Madam Speaker, while it has been the suspicion of some of us for some time that when the Minister of Finance was here he was, in effect, the government House leader, and while it is not proper for me to direct a question to him at this point, I wonder if the government House leader might lean forward in his seat and whisper in the ear of his senior adviser. Since it is very important to the country to know that, now that we have made some progress on constitutional matters, the very real urgency and priority of dealing with the economy will not be shunted backwards again, and since we all have plans to make, I wonder if we could have an assurance either from the Minister of Finance or from the government House leader that the solemn undertaking given in this House that a budget will be brought down on November 12 will be honoured.

[*Translation*]

Mr. Pinard: Madam Speaker, there will be a meeting of the House Leaders at five o'clock. I will then provide his own House Leader with further information, to be passed on to him.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PROVINCIAL MINISTERS

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, with your permission I should like to salute in our gallery some ministers who have worked almost all night to achieve agreement: Mr. Johnston from Alberta, Mr. Romanow from Saskatchewan, Mr. Wells from Ontario, Mr. Mercier, the Attorney-General of Manitoba, and Mr. McMurtry, the Attorney-General of Ontario.

Some hon. Members: Hear, hear!

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, November 4, 1981, and finds that they meet the requirements of the Standing Orders as to form.

POINT OF ORDER

MR. LEWIS—NOTICE OF INTENTION TO RAISE QUESTION

Mr. Doug Lewis (Simcoe North): Madam Speaker, I should like to raise a point of order but reserve the right to raise the matter tomorrow. During an answer from the Minister of Supply and Services (Mr. Blais) to a question put by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), it was my impression that the minister cited a government document. After I have had an opportunity to read *Hansard* I will be in a position to bring that point of order forward.

• (1540)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,147, 2,465, 2,659, 2,697, 3,032 and 3,033.

[*Text*]

CANADIAN FOREIGN AID

Question No. 2,147—**Mr. Gilchrist:**

How many recipients of Canadian foreign aid have outstanding claims against them by Canadian companies and, in each case, what is the name of the recipient and the amount of the claim?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The Canadian government does not maintain a registry of Canadian companies which have claims against foreign companies. Therefore it is not possible to answer this question.

UREA FORMALDEHYDE FOAM INSULATION

Question No. 2,465—**Mr. McGrath:**

1. What criteria are used by Canada Mortgage and Housing Corporation officials to accept a thermal insulation material as acceptable under CHIP?

2. (a) At what temperature does urea formaldehyde foam insulation ignite and does the ignition point change with the age of the foam (b) what is the physical equation for the combustion of UFFI and what are the names of the chemicals (c) at what level in parts per million would the chemicals be considered hazardous to health over the (i) short term (ii) long term?

3. (a) How many single and semi-detached homes currently standing were built prior to January 1, 1961 and how many single and semi-detached homes were added to housing stock since 1961 (b) how many homes installed with UFFI (i) received (ii) did not receive assistance under CHIP?

4. (a) For each year 1977 to 1980, how many fires in single or semi-detached homes occurred that required assistance from fire departments to extinguish flames and how many of the homes were destroyed (b) what is the probability of the UFFI ignition point being reached in a household fire and what is the composition of gases released from UFFI if the ignition point is reached?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by Canada Mortgage and Housing Corporation, National Research Council and Public Works Canada as follows:

1. To be eligible for use on NHA financed construction, CMHC requires that thermal insulation products must demonstrate the ability to meet the requirements of the appropriate standard. For thermal insulation material, the standards are prepared by technical committees of either the Canadian Standards Association or the Canadian General Standards Board. To be eligible for use under CHIP, it is necessary that products carry a valid CMHC acceptance number, although the final authority for eligibility lies with CHIP.

2. (a) The ignition temperature of the various brands and formulation of urea formaldehyde foam insulation varies a great deal depending on the additives. The addition of glycols to foam can reduce the ignition temperature. Thermal decomposition of some UFFI material will proceed at temperatures above 200°C. The ignition point of foam can change with age since the surfaces of the foam often break down much more quickly than that at the centre. Since the breakdown mechanisms appear to vary considerably from foam to foam it is difficult to predict for which formulation the point would be increased and for which it would be decreased.

(b) While it is possible to give some idealized equations for combustion of completely reacted UFFI foam it is not possible to give equations for combustion of the unreacted or partially reacted resin or for the various additives to the resin and foaming agent.

Some of the chemicals produced during combustion would be carbon monoxide, carbon dioxide, hydrogen cyanide, oxides of nitrogen, compounds containing phosphorous, compounds containing sulphur, and, for some foams, compounds containing chlorine.

(c) The concentrations at which the gases in 2(b) become hazardous vary considerably. Some concentrations of gases would produce effects that were additive while others might produce even greater effects.

The combustion products from some of the older formulations of UFFI foam have been tested to find the toxicity to rats. The tests were made by laboratories specializing in that field. The laboratories found the products to be less toxic than combustion products of wood. The concentration and composition of the combustion products in air will depend a great deal on fire conditions, i.e. temperature and amount of excess air.

3. (a) The pre-1961 housing stock eligible for CHIP totalled 4,027,200 units. This includes but is not limited to single and semi-detached units. The total housing stock built between 1961 and 1977 when CHIP began is 2,999,000 units. Again, this includes but is not limited to single and semi-detached units.

(b) The computer system is programmed to identify three categories of insulation used by clients; batts or rolls, loose fill and rigid. Since the introduction of CHIP, CMHC issued

50,770 grants to applicants who installed rigid insulation, which includes UFFI.

4. (a) The information data base for the indicated period precludes statistics unique to single or semi-detached residences, and does not show if a dwelling was destroyed; therefore, the figures shown also include properties such as apartments, boarding houses, hotels, motels, dormitories, mobile homes and camp trailers:

Year	No. of fires
1977	36,513
1978	37,133
1979	40,620
1980	29,908

(b) The temperatures in a household fire are well above the 200°C level required to decompose the UFFI. The composition of the released gases at temperatures well above 200°C has been discussed in question 2(c). At room temperature and temperatures below 200°C the gas will contain formaldehyde, other aldehydes, other related gases such as phenol, vapours from chemicals such as methyl compounds and, with some formulations, ammonia.

There are no well defined toxicity limits to mixtures of gases such as those given off by UFFI but it is likely they are lower than the limits for any single gas such as formaldehyde or acetaldehyde.

EXPORT FINANCE CORPORATION OF CANADA

Question No. 2,659—**Mr. Flis:**

1. What was the date of incorporation of the Export Development Finance Corporation of Canada Inc. and what was its purpose?

2. Did the corporation meet its obligations and goals and what is its present status?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. There is no federal corporation bearing the name Export Development Finance Corporation of Canada Inc. There is, however, a company bearing the name Export Finance Corporation of Canada, Ltd., which was federally incorporated on June 4, 1959, under a special act of Parliament assented to on that date.

The objects of the corporation are to finance and facilitate exports and imports and the exchange of goods and services between Canada and any nation of the Commonwealth of Nations or other nations, and between agencies or residents of Canada and such nations, or agencies or residents thereof.

2. In so far as the above act is concerned, the company has met its legal obligations by having filed with the director of corporations its financial statement and annual summary for the year ending March 31, 1981. The department is not in a position to comment on the performance of the company with regard to its goals or objects. Present status: active.

VIETNAMESE REFUGEE PROGRAM

Question No. 2,697—**Mr. Robinson (Etobicoke-Lakeshore):**

To date, what was the total cost of the South East Asian (Vietnamese boat people) refugee program?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As of March 31, 1981, a total of $141,636,000 has been expended on the Vietnamese refugee program.

THE TOM CHERINGTON SHOW

Question No. 3,032—**Mr. Gamble:**

Did the Canadian International Development Agency or Marcel Massé recently refuse a free opportunity extended by The Tom Cherington Show on CHCH-TV in Hamilton, Ontario to participate in a discussion and debate on foreign aid and, if so, for what reason?

Hon. Mark MacGuigan (Secretary of State for External Affairs): An invitation to appear on The Tom Cherington Show in October was declined because of the president's intended presence at the Commonwealth heads of government conference in Australia and the North-South summit in Cancun, Mexico. It was agreed with the producer that an attempt would be made to include The Tom Cherington Show in the schedule of Mr. Massé's activities when his travels will take him to the Hamilton area.

THIRD WORLD VILLAGE AT CNE

Question No. 3,033—**Mr. Gamble:**

1. Did the Canadian International Development Agency sponsor a Third World Village at the Canadian National Exhibition in Toronto from August 19 to September 7, 1981 and, if so, what was the (a) total budgeted cost (b) actual cost of the exhibit?

2. What was the cost, if any, for (a) demonstrations (b) artisans (c) films and slide presentations (d) all other expenses?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes. (a) the total budgeted cost was $60,000, (b) the actual cost of the exhibit was $57,391.07.

2. (a) nil, (b) the cost of artisans was $27,445.44, (c) nil, (d) all other expenses cost $29,945.63.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

PRIVILEGE

MR. NIELSEN—RECOGNITION OF MEMBERS

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. I cannot speak unless my desk light goes on, and it is concerning that that I rise today. I have been studying

the problem which I presented to the Chair yesterday, and I would not want the Chair to think that by my not pursuing the matter today I was not doing so at the earliest opportunity. In fact, my research has led me to the belief that the matter must be thoroughly prepared before it is presented to you, and I will probably be doing that either tomorrow or Monday.

Madam Speaker: I take note of that.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Wednesday, November 4, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 27 (Mr. Wilson).

Mr. Gordon Taylor (Bow River): Madam Speaker, I would like to deal with one or two items in connection with Motion No. 27. First I want to mention a statement made by the hon. member for Vancouver-Kingsway (Mr. Waddell) when he said that there is enough competition in the industry to allow Petro-Canada stations to compete with other gas stations. We do not object to competition; we like competition. Competition is the life blood of free enterprise. What we object to is favouritism. We object when one group is given a head start. So the hon. member for Vancouver-Kingsway is wrong when he criticizes members of this party and leads people to believe that we are opposed to Petro-Canada's competing with other stations. He is absolutely wrong. We believe in competition, but we want that competition to be fair and honest. I thought I should at least put the record straight in that regard.

I would also like to deal with one or two points raised by the hon. member for Algoma (Mr. Foster) when he was speaking about this motion yesterday. He said that there have been instances in the past in which the operators of foreign-owned multinationals could not carry out work in the north. Well, whether it is a multinational company, a Canadian company, a small company or a big company, certain work cannot be carried out in the north during part of the year. If the work is building accesses, probably the best time of the year to build on muskeg is in the wintertime; but if the work is drilling, there are difficulties which have to be overcome.

The hon. member for Algoma justified Clause 35, which we want to delete, by saying that the minister had to have this particular power as a safeguard because some companies—he said multinationals, but he could have said other companies, Canadian companies, independent companies and so forth—might not want to do the work and might want to delay it. I think that is a ridiculous argument. In the first place, those companies which are in the Northwest Territories, the Yukon or on the ocean to the north have every incentive to stay there. They are the ones which have put in their hard earned cash to be up there, and they are not going to pull out and head for Saudi Arabia simply because we have cold winters in the north. This clause is not a safeguard at all. It is ridiculous to say that the minister is given this power in Clause 35(1) to safeguard the interests of Canadians. That is not correct.

Let me just deal with one or two cases. The hon. member for Algoma, who is a Liberal, said that in some cases private enterprise feels no responsibility to Canada and that therefore this ia a good safeguard. I do not go along with that at all. Small, independent Canadian companies such as the one mentioned yesterday by the hon. member for Calgary Centre (Mr. Andre) have spent a lot of money up there and, after spending all that money, they found some gas and capped the wells while waiting for the day when there will be a pipeline. To say that such a company has no interest in Canada and has no responsibility to Canada is completely ridiculous. We do not need a clause like Clause 35(1) to encourage such enterprise. It does not encourage, it discourages. Let me read what it says:

> The Minister of Energy, Mines and Resources may, by order subject to section 56, direct that any designated Crown corporation that holds a Crown share transfered to it under section 31 shall be the operator with respect to the relevant interest.

In other words, the minister can designate Petro-Canada to go in and reap all the rewards of the work done by a small, independent company. That is not my idea of fair competition.

Let us look at something else in relation to this same item. Hon. members talk about the advantages and disadvantages of Petro-Canada. I emphasize that we want Petro-Canada to have a fair chance. We want its stations to have a fair chance, but we do not want favouritism given to them. Let us look at how these stations came into being in the first place. Petrofina was purchased with 1.4 billion of Canadians' dollars, far in excess of the proper price. Canadians were stung in the first instance by Petro-Canada's making a bad deal in purchasing this company. Petro-Canada paid twice as much for it as it should have.

• (1550)

When we look at the profits of Petrofina over the last few years, if my memory is correct, Petrofina made $24 million in 1979. In 1980 the profit figure rose to about $80 million. In 1981 it appears the profit will be less than the $24 million the company made in 1979. If PetroCan had been businesslike, it could have taken the $1.46 billion, which it did not have and that it is now taking out of people's pockets through the gasoline price at the pumps, and invested it at the very lowest interest offered by the banks today. This would have secured more than $20 million for the people of Canada.

If Petro-Canada is interested in helping the people of Canada, why did that company pay off the Belgian debt with Canadian money? That is just about what has happened. The company was not showing interest in the welfare of Canadians by buying Petrofina. We object to this type of thing very

strongly. We object when people start saying that everything is so wonderful about Petro-Canada. We want Petro-Canada to have a fair deal, but we want that company to be fair with the people too. Why did not Petro-Canada buy Petrofina in the ordinary way? Why did not Petro-Canada get the money and then buy Petrofina through its profits? Petro-Canada decided to do it the other way, and now the Canadian people pay an extra 3.6 cents on every gallon of gasoline purchased. The $1.46 billion paid to take over Petrofina will be raised by the 3.6 cents paid on every gallon of gasoline. No matter where people buy gasoline, whether from an Esso station, a Gulf station, a Phillips station, a PetroCan station, or any other station in Canada, we will all be paying this Crown corporation so that PetroCan can own Petrofina stations.

People should remember when they buy their gas at the pump that they are paying an extra 3.6 cents on every gallon for the purchase of Petrofina. For example, if a person purchases 500 gallons or 1,000 gallons of gasoline a year they are also paying 500 or 1,000 times 3.6 cents extra a year. People should not have to pay this extra amount, but the Canadian government permitted PetroCan to buy Petrofina and allowed PetroCan to pay for it by charging every Canadian at the gas pump. This did not bring one additional gallon of gas into our objective of oil self-sufficiency by 1990 or any other year. Simply a line of gasoline stations was purchased. The government is charging every Canadian for this purchase, and it is a taxation which is completely unfair.

Contrary to what the hon. minister has said in this House, Canadians are not happy with this purchase at all. One out of every 100 Canadians will tell you that he is not happy about paying an additional 3.6 cents on every gallon of gasoline so that PetroCan can own Petrofina. If Petro-Canada wanted to buy Petrofina, Petro-Canada should have done it the regular way. Petro-Canada should not have used dollars in the pockets of ordinary people, many of whom cannot afford it.

Some hon. Members: Ah!

Mr. Taylor: Do hon. members realize when they say "ah" there are many Canadians today who use their cars to get to work, perhaps to take their wife to work and their youngsters to school? On every gallon of gasoline they purchase, they are paying an extra 3.6 cents so that we can have more Petro-Canada service stations. It will be more than that before this whole thing is over. Liberal members try to justify this to the people of Canada.

I just want to deal with one aspect. This clause gives us the opportunity to show exactly what the Minister of Energy, Mines and Resources (Mr. Lalonde) is doing. When we give him power like this, he can simply direct a Canadian corporation to do a job, and it does not matter how much money a small Canadian company on the spot has spent in finding oil or gas. The minister can designate Petro-Canada to skim off all the cream and all of the profits. This is not right, nor is it a safeguard for Canadians. It is simply another totalitarian act by a minister who is telling one company that it will be favoured. This has already happened. That company has already been given 136 million acres.

We talk about competition. There is all kinds of room for competition in the north, but there is no competition under this act. Everything favours one particular company. That favouritism will be to the detriment of Canada. It will discourage investment. It will discourage investment by many people when they get that kind of a deal in the north.

We are talking about the price of gas in Canada today. This is very relevant. When the Liberals were returned to power in 1980 they promised that gas prices would not rise, that they would stay lower than 18 cents. Look at what has happened. Since the Liberals were returned to power in February, 1980, gas prices have risen about 8 cents a litre, or 36 cents a gallon. Liberals campaigned, particularly around Ontario and Quebec, by telling people how bad it would be for Canadians to pay an extra 18 cents a gallon. The PC government was being honest with the people. The country needed the money. We wanted to start paying our way.

That is not the story the Prime Minister (Mr. Trudeau) and others told in Ontario. They said things such as: "We will not charge you as much as those terrible Tories." That is the story the Liberals told.

But the record tells the real story. Let us take a look at it. On August 1, 1980, oil prices rose by $2 a barrel, causing consumer prices to rise by 7.2 cents a gallon on October 1, 1980. On November 1, 1980, petroleum product prices increased by about six tenths of a cent a litre, or 2.7 cents a gallon, because of an oil import compensation tax of 80 cents on each barrel of oil. The import tax was announced on October 28 as a means of getting consumers to start covering the cost of subsidizing eastern Canadian refiners for the difference between the domestic and foreign price of oil. This was an additional 2.7 cents a gallon.

I was amazed this afternoon when the Minister of Energy, Mines and Resources, in answer to a question from this side, said that the Tories were asking for higher prices for Canadians. We were asking for a fair price for Canadians comparable to what we were paying foreign importers. That is all we have ever asked.

Some hon. Members: Oh, oh!

Mr. Taylor: It was not right at all. I defy anyone to say that it was right. I defy anyone to honestly say that it was right for Canada to be paying $45 and $50 a barrel for Mexican and Iranian oil and only $18 a barrel for oil produced in our own country. There is no logic in that. Canadians right across Canada paid because the federal government took so long to come to its senses and enter into an agreement with the province of Alberta.

On January 1, 1981, the import compensation tax increased by $2.50 a barrel, adding another 9 cents a gallon to prices. On March 1, 1981, prices increased by 3.6 cents a gallon as a result of a $1 increase in the wellhead price of oil on January 1 imposed by the federal government. On March 2, 1981, prices

again increased 2.25 cents a gallon because of a special federal tax on consumption to pay for imported oil needed to replace cuts in Alberta production of 60,000 barrels a day. Again, the person buying gas at the pump is paying right through the nose. Prices increased again by 3.6 cents a gallon to help finance the $1.46 billion takeover of Petrofina by Petro-Canada. Another 3.6 cents was added to the cost of our gas.

I do not know how the Minister of Energy, Mines and Resources and the Prime Minister can still stand up and say to the people of Canada that they kept their promises. Just look at the record, it tells the story.

• (1600)

On June 3 federal tax increases totalled 1.6 cents a litre, or 7.2 cents a gallon, imposed to cover oil import costs. In addition there was a second cut in Alberta production of 60,000 barrels a day. Federal officials said that those increases, combined with federal and provincial sales taxes, resulted in a retail price jump of about 2 cents a litre, or 9 cents a gallon, on gasoline and diesel fuel. This is an increase in cost even to the farmer about whom the Minister of Agriculture (Mr. Whelan) had so much to say the other day when some of our members were speaking about helping the agriculture industry. He said it all while sitting down. He did not say how much farmers are being charged for their diesel oil and for fertilizers, thereby increasing the cost of production while reducing the amount of food that can be produced in this country. There was a further increase of $1 in the wellhead price of oil on July 1.

Canadians have been lied to, promised to, and otherwise misled by the Right Hon. Prime Minister and the energy minister, the Hon. Marc Lalonde, in a cynical way. Our gasoline is still cheap compared to European prices, yes, but what is the future to bring? We are no closer to a coherent energy policy in 1981 than we were ten years ago in 1971. As a matter of fact, we are further away. While prices may still be affordable, that could change overnight with Ottawa's continuing fight with the provinces; and while they continue to tell us they want to give us a better and lower price, they continually increase it.

This clause of the bill—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. Taylor: This clause should be thrown out.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am not sure why under a motion which pertains to one aspect of Bill C-48 which will govern future exploration and development in Canada lands we need to listen to the sort of groundless allegations we have just heard. I was wondering in particular about the language of the member opposite when he alleged that the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde) lie. I do not know that that is parliamentary language. I am surprised that with his legislative experience he engages in such statements.

However, in order to set the record straight, since the member appears to want to embark upon this sort of discussion under this item, the fact is that during the last election campaign the Liberal party undertook four commitments with regard to oil pricing in Canada. The Liberal party undertook that there would be no 18-cent excise tax on a gallon of gasoline. Secondly, a commitment was made that the increase in the wellhead price of oil would be under $4 in 1980. It undertook further that over a four-year period the cost to consumers would be less than it would have been under the Conservative budget. The fourth commitment was that there would be a made-in-Canada blended price schedule which would include conventional oil, import charges and frontier oil, with no direct link to actual world prices.

On all four of those commitments the Liberal government has delivered. We have not imposed an 18-cent excise tax on gasoline. Under the agreement with Alberta the wellhead price of crude oil will be $41.75 a barrel in 1984. Under the Conservative budget it would have been $53.70 in 1984.

The comparative prices of heating oil are 46 cents under the agreement with Alberta and 58 cents a litre in 1984. The comparative prices of gasoline are 59 cents and 68 cents a litre. The comparative prices of natural gas are $7.87 and $11 per thousand cubic feet in 1984.

Accordingly, over a four-year period the average family expenditure for oil products will be approximately $550 less under the Alberta-Federal agreement than it would have been under the Conservative budget, even allowing for the proposed Conservative income-tested consumer energy tax credit.

I would want to underline for the benefit of the hon. member opposite that under the Canada-Alberta energy agreement reached at the end of August the refinery cost of crude oil at Toronto by 1984 will be $52.14 per barrel. The Conservative budget would have resulted in a price of $58.11, under even a moderate international price increase projection.

The gasoline price in Toronto in 1984 would be in the range of 62 cents to 66 cents a litre, with this range taking into account possible international price trend variations. The Conservative budget price would have been in the range of 73 cents to 86 cents, or an average of 25 per cent higher.

Heating oil prices in Toronto in 1984 are projected in the range of 43 cents to 46 cents a litre. The Conservative budget would have resulted in prices of 48 cents to 58 cents, or an average of 19 per cent higher.

Finally, natural gas prices in 1984 will be in the range of $7.87 to $8.41 per thousand cubic feet. Under the Conservative budget they would have been $11 to $13.66, or an average of 51 per cent higher. Natural gas prices, I might add, will be

about 65 per cent of Canadian oil prices, whereas under the Conservative budget the ratio would have been 85 per cent and there would have been a direct link with international prices. I am surprised that members opposite have not understood their own budget projections.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 27 in the name of the hon. member for Etobicoke Centre (Mr. Wilson). Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House may now wish to consider Motion No. 28.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 28

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 36 by striking out lines 35 to 45 at page 21 and substituting the following therefor:

"36.(1) Her Majesty in right of Canada or any Crown corporation to which the Crown share may be transferred, is liable to a maximum of the product of fifty percent of expenses incurred by an exploration agreement holder prior to a declaration of commercial discovery on any relevant Canada lands multiplied by the percentage of the Crown share as determined in Section 27."

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

● (1610)

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 29

That Bill C-48, an act to regulate oil and gas interests in Canada Lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 40 by striking out line 38 at page 23 and substituting the following therefor:

"Canada, a basic royalty of twenty per cent of the".

He said: Mr. Speaker, I rise to speak on this motion. What this motion does is to change the royalty structure, raising it from 10 per cent to 20 per cent. It, in effect, doubles the royalties.

This motion should be read along with Motion No. 30, which strikes out a clause that allows the companies to deduct the basic royalty plus the petroleum gas revenue tax, the PGRT, which is now 12 per cent. This motion should also be read along with Motion No. 31 which would take out the three-year holiday tax exemption.

I will be making some detailed points on this motion because it is a very complicated area. It will be necessary to give statistics and facts because these are necessary to back up the argument. My main point is that this royalty is low compared to those in other foreign jurisdictions.

First, I will talk about the progressive incremental royalty, the PIR. The way the royatly regime works in this bill is that there is a 10 per cent royalty, and when a certain income is brought in by the producing wells, the PIR comes into effect. My basic point is that the PIR is ineffective, and since it is ineffective, the basic royalty of 10 per cent, which is a low royalty compared to other jurisdictions both in Canada's provinces and abroad, is too low. That is the gist of my argument and I think it can be effectively proven.

The first part of my argument is that the royalty is low compared with other foreign jurisdictions. When we sat through the long hearings of the energy committee of the House of Commons, we heard testimony from officials of Petro-Canada, as well as officials of Statoil in Norway and other officials, about the regime in the United Kingdom and other places.

Mr. Robert Meneley, vice-president of Petro-Canada, told the committee that the land tenure and rent collection regimes proposed by Bill C-48 are less onerous than those applied elsewhere. The statement which I made that they are less onerous is not just my particular isolated opinion. This was also stated before the committee by the vice-president of Petro-Canada, Mr. Meneley, who I am told has a great deal of experience in this area. He said that Petro-Canada developed a model of the economics of developing a field similar to the recent Hibernia discovery at a wellhead price of $41 a barrel. That is the current price received in Norway and the United Kingdom and will be approximately the price which Hibernia will come in at when it reaches the production stage in a few years. As a matter of fact, that would be the low end price. It could be higher.

Mr. Meneley of Petro-Canada developed a scheme whereby they compared profits on Canada lands under this bill to those in the United Kingdom and Norway. In a company that had a 75 per cent to 100 per cent Canadian ownership rate, he estimated that the profit over a certain period would be in the

realm of $1,973 million which, of course, is almost $2 billion. Under their regime, that profit picture in the United Kingdom would only be $422 million. In Norway it would be $3.6 million.

The after tax rate of return, using these particular figures, would be 31.3 per cent in Canada lands under this bill. In the United Kingdom it would be 21.9 per cent and in Norway it would be 20 per cent. The total tax allocation from the $41 price in Canada lands was $17.88. In the United Kingdom it was $21.72 and in Norway it was $22.55. With respect to company cash flow, for Canada lands it is $4.83. In the United Kingdom it is $1.04 and for Norway it is 10 cents. The capital operating cost in Canada lands would be $18.29. In the United Kingdom it would be $18.24 and in Norway $18.35.

Here is what Mr. McNicholas, who is the manager of economic and public policy for Petro-Canada, said to the committee in a letter dated March 21, 1981. In that letter to the committee chairman, the hon. member for Châteauguay (Mr. Watson), Mr. McNicholas said:

> It is clear from the above analysis that the development of a field like Hibernia yields higher present value returns and comparably higher rates of return on capital invested in Canada under NEP rules than in the U.K. or in Norway.

The point which our party made in the committee hearings and in the House is that if ther multinational oil companies will accept a tougher tax regime elsewhere, they should be prepared to accept at least the same in Canada. I put that argument to the friends of the multinational oil companies, the Conservative Party. I asked them to tell me why the multinational oil companies can operate in the United Kingdom and Norway under a much tougher regime and why they are squealing, through their friends in the Conservative Party, about the royalty and taxation rates in this particular regime. The Liberal Party are still being overly generous, in our view, in bringing in this regime. That is why I am moving these particular amendments on royalties.

I have said that the royalties were different in other jurisdictions and other countries. I would like to give some evidence of that. Under the old regime in Canada, before this bill, the royalties were 5 per cent to 10 per cent, depending on the location and licence. Under Bill C-48 there is a 10 per cent basic royalty. In Alberta, under old oil, pre-1974, the maximum royalty was 50 per cent. Under new oil, the maximum was 36 per cent. In British Columbia the royalty under old oil, pre-1975, was a maximum of 40 per cent. Under new oil it was a maximum of 30 per cent. In Saskatchewan, under old oil, pre-1974, the royalty was 61 per cent, and under new oil it was 43 per cent. Even in the producing provinces of Alberta, British Columbia and Saskatchewan, the royalties are higher than they are in this bill.

Sometimes I like to try to make arguments on both sides of an issue. Therefore, I will back off a little bit and make the argument for the government. It will say that I was not quite right because there is the basic 10 per cent royalty. But there is a thing called the PIR, progressive incremental royalty, on top of it, and if I combine the basic royalty with the PIR, I have a regime that is as tough as they are in some of these other countries. That is fine but there is a flaw in that. The flaw is that the PIR is ineffective. If it is ineffective, it leaves the basic royalty too low.

I would like to explain to the House and the hordes in the gallery who are following my every word on the subject of PIR what PIR means. If I am going slow on this subject, you will know I have had to learn it all myself.

• (1620)

Mr. Cullen: Have you learned it well?

Mr. Waddell: I think I have. This is why the government wants a progressive incremental royalty. They are free to tell me where I have gone wrong. The government wants to avoid the heavy front end load costs with the traditional system, imposed by a straight percentage take of wellhead prices; in other words, the cost at the beginning. It wants the royalty to come later.

The government wants to reduce what is called in the industry gold plating. That does not mean putting gold on plates. We must understand that the oil and gas industry has a different vocabulary. For example, you do not measure an oil tanker in metres or yards, but by football fields. The large tankers that will be going through the Northwest Passage in a few years, if the Arctic system comes about, are said to be three football fields. Whether that is American or Canadian football fields depends on where you are.

Mr. Siddon: What does that have to do with gold plating?

Mr. Waddell: It has to do with the fact that the industry uses different words and measurements. If the hon. member listens, he will understand what gold plating is. It is an attempt by the industry to overspend in its capital expenditures in order to reduce its tax payable. It is plating with extra gold or money at the capital expenditure stage so that it will not have to pay any taxes. If the hon. member for Richmond-South Delta (Mr. Siddon) had been at the committee meeting, he would have understood what gold plating is and not have to ask the question. I suggest he looks at committee Minutes No. 24, pages 8 and 9, where he will learn all he wants to know about gold plating.

The progressive incremental royalty will reduce gold plating. It is a progressive levy applied to profits after the government has collected the 10 per cent basic royalty, the 12 per cent petroleum gas revenue tax and income tax. That is really what a PIR is. There is the basic royalty of 10 per cent, 12 per cent PGRT and income tax. The progressive incremental royalty is supposed to recoup surplus profits. The PIR rate is nominally 40 per cent but in reality is less than 5 per cent of a very much reduced taxable level of profit.

In theory the PIR is good. It is a kind of surplus profit tax which comes on after the other royalties and taxes have been applied. The problem is that in practice it does not work. The progressive incremental royalty only comes into effect when the profit ratio, that is the ratio of annual profits to cumulative

depreciated development investment, is 25 per cent or higher. Profits are defined for this purpose as revenues less operating expenses, capital allowance—that is, the write-off of capital investment in six years—federal royalties, federal income tax abatement and 25 per cent of total eligible investment. In other words, the PIR only comes into effect when the profit ratio is 25 per cent or higher. An accountant working in this field would calculate it by calculating 25 per cent of the depreciated investment and then imposing the progressive incremental royalty on the excess. The problem is that if you work out the calculation, you find that the likelihood of the progressive incremental royalty ever reaching 40 per cent as stated in the bill is almost nil.

Let me give an example. You need a profit ratio of 65 to get a PIR rate of 25. You need a tremendous profit ratio to get up to a PIR level of 40. I do not think that will happen.

I wish to refer to the petroleum monitoring agency. I have been listening very closely to what my friends on my right have said over the past four or five days as they ranted and raved. They in turn accused us of ranting and raving and shouting out opinions unsubstantiated. Therefore, I am being very careful in making my point. I see the hon. member for Bow River (Mr. Taylor) following with the closest of attention. He is a good boy scout, the top boy scout in Alberta. I see him following these figures like a boy scout.

I am not just shooting these figures from the hip. I am referring to the government's own monitoring survey of 1980 which shows that in the total petroleum industry in 1979, the net cash percentage rate of return on capital employed was 19.4 per cent. I have to explain what net cash is. Net cash is defined as cash flow, less depreciation, amortization and depletion; or, alternatively, after-tax income plus exploration and development investment expense and deferred income tax. That is a mouthful. The point to remember is that cash flow or the net cash percentage rate was just less than 20 per cent. That means a very much reduced progressive incremental royalty.

My point is that the progressive incremental royalty only kicks in at a 26 per cent rate of return. I do not think we are likely to see that kind of rate of return. Therefore, the progressive incremental royalty is ineffective. If that is the case, the basic royalty of 10 per cent is too low. It was put too low in the first place because money was to be made up later by the application of the progressive incremental royalty. That is why it was only 10 per cent and not higher in Alberta, Saskatchewan, British Columbia, Norway, Britain, Australia and other places. It is in fact low. My submission is that it is too low. That is why my motion states that it should go from 10 to 20 per cent.

No doubt after that explanation members on all sides of this House will rush to support my amendment.

An hon. Member: Hear, hear!

Mr. Waddell: At least one member will support it.

The bill also provides for a three-year royalty holiday. That may be amended; I notice there is a government motion to change that. It could even be extended. My friends in the Conservative Party have an amendment to extend it, and I think the minister has one as well. If those amendments are in and there is a three-year royalty holiday under the progressive incremental royalty, if oil is discovered prior to December 31, 1982, the company can choose the three years. It can choose when its profit is projected to be the highest.

A lot of my constituents, old people, working people, bus drivers, janitors, the ordinary working people of Canada which the hon. member for Spadina (Mr. Heap) so eloquently referred to the other day, would like a three-year tax holiday. We seem to reserve these three-year tax holidays for the biggest and the richest companies in the world. That is what we are doing right here. We give them again a three-year tax holiday and we are back into the same old system of sucking up to the oil companies in order, we hope, to find oil in an area. It is as if it were some great gamble. I would like to go to Las Vegas or Reno and gamble and have the government pay over 100 per cent of the money I put down. I do not call that a gamble. There is no gamble up there either, not with these kinds of tax royalties and subsidies we are giving these companies.

● (1630)

Under the old tax system the government's share of the profits was in excess of 65 per cent. If you look at the Minutes, Mr. Speaker, No. 24 and No. 24(a) of the resources committee, the energy committee of the House of Commons, at page 19, that is set out.

Under the new system the total government take, to my calculation, is normally only 45 to 50 per cent: this includes the royalty, the income tax, the new 12 per cent PGR tax and the PIR, the progressive incremental royalty. This is not as harsh a system as one would think. In fact, in many ways this is an easier tax system than the old system which speakers for the government party have said time and time again was an inadequate system, and that is why they were introducing a bill to change it. So, what have they done? With respect to the taxation part of the bill they have taken an inadequate system and made it even more inadequate.

One billion barrels—we have to speak of barrels now; we do not speak of gallons or litres in the oil business—from an Arctic oil field would pay 13 to 16 per cent of the net operating income in PIR and 12 per cent in PGRT. Under the old system of corridor taxation which the PIR replaces, the companies would pay 20 to 25 per cent. Where there are cost overruns the PIR is nil. Again it seems to me, if you were to look at it from that point of view, the taxation system is even more inadequate than the older system.

In testimony before the committee, Mr. Speaker, the highest example of a PIR take of wellhead income was 20 per cent, according to calculations provided by the Department of Energy, Mines and Resources officials on possible oil production scenarios. One has to remember, Mr. Speaker, that the

profit level at which the PIR is calculated is reduced by a series of deductions that I mentioned earlier. The producer recovers, in most cases, about 150 to 175 per cent of his development cost before the PIR is payable.

It seems to me then, Mr. Speaker, that it can be shown that the progressive incremental royalty, the PIR, is not a significant generator of revenue for the federal treasury when you compare it with a basic royalty and income tax. Therefore, if that is not true, the government should not put its faith in collecting revenue on the PIR. It would be much better to increase the basic rate of royalty. Hence, we propose an increase of 10 to 20 per cent on the basic royalty.

Examples have been provided by the Department of Energy, Mines and Resources officials. I might say I have heard a lot of attacks on those officials, and I will say publicly in the House, Mr. Speaker, that I think they have done a consistently good job in being as fair and straightforward as possible with the committee. Because the Conservatives do not like the oil deal with Alberta, they should not attack Ed Clark. If they do not like the national energy policy, do not wave around Ed Clark's Ph.D. thesis on Tanzania, as an hon. member from the Conservative party did the other day. Surely that is a new low. If they want to argue, let us argue and have statistics and logic in the arguments. Let us not wave around someone's Ph.D. thesis. I hate to think what the Ph.D. thesis was of the hon. Secretary of State for External Affairs (Mr. MacGuigan). I would not want to wave that around anywhere!

An hon. Member: Law and morality!

Mr. Waddell: Law and morality. I know the hon. member from Saskatoon behind me would like to comment on that! However, this is a debate on progressive incremental royalty, not on foreign affairs.

In examples provided by the officials of the Department of Energy, Mines and Resources to the committee, under the new tax regime in Bill C-48 the net cash to companies range from a low of 35 per cent to a high of 56 per cent, while the government's take ranges from 44 per cent to 65 per cent, with the norm averaging about 50 per cent.

One might say to me, Mr. Speaker, why not just scrap the progressive incremental royalty. I say no, we should keep it. Even though it is ineffectual in terms of raising revenue for the government, we could leave it in place to prevent gold plating and to recoup some excessive profits in very highly profitable wells. We would keep it for that purpose but not rely upon it for revenue; instead we propose to double the fixed or basic royalty, as I have said, from 10 to 20 per cent of the oil and gas produced.

I want to set out some arguments for doubling that basic royalty. The first one is that the progressive incremental royalty is not a 40 per cent royalty but a tax normally of 2 to 5 per cent of net profit. As I have said, net profits are the total income less basic royalty, operating expenses, federal income tax, 25 per cent of investment costs, investment costs being the exploration and development costs.

The rate of tax and the base on which the tax is applied is extremely low. For example, if you were to take an Arctic oil well of one billion barrels, say at $30 a barrel, that would mean $106 million PIR and $357 million basic royalty. If you look at the committee Minutes No. 25, page A-11, you will see that set out. These are basically pretty low royalties compared to the fantastic return for a field of a billion barrels. One can imagine the revenue from the wells.

Raising the royalty, as we in the NDP have suggested in this motion to 20 per cent is still competitive with other jurisdictions. In the United States, that big tax haven of Reaganomics, even in the Big Bermuda, there is a 16 2/3 per cent basic royalty in U.S. offshore. That is 6 2/3 per cent higher than the royalty proposed in this bill.

In Norway there is a 16 per cent royalty. In Alaska there is a 20 per cent royalty. In Alberta there is a 31 to 36 per cent royalty. The tax breaks and grants introduced in Bill C-48 propose, for example, a minimum of 25 per cent and a maximum of 80 per cent of exploration costs that you may receive as a grant, and you can receive a maximum of 20 per cent for development cost on Canada lands.

These kinds of corporate giveaways are not available in other jurisdictions, even though the other jurisdictions have royalty rates at 16, 17, 20 and 30 per cent. We have a royalty rate of 10 per cent—this is my point—and we are still giving grants and tax concessions.

Second, Mr. Speaker, the oil companies are operating in the North Sea under tax regimes that are more onerous than those proposed in Bill C-48. Norway's oil tax ranges as high as 86 per cent; Britain's is 60 per cent with government take as high as 90 per cent. I am not just talking about some sort of crazy socialist regime that no one can live with, which is what my friends on my right would say. I am talking about a regime that makes a lot of sense, especially since there are more onerous regimes in Norway and in Britain in the North Sea. Prices in Canada are going to be basically world prices.

● (1640)

The argument of the oil companies and of hon. members to my right as spokesmen for the oil companies before committee was that the jurisdictions cannot be compared because there was no set price regime. We have a price regime; we will have world prices. It seems to me that it is very important to compare Norway and United Kingdom exploration in the North Sea with the regime in Canada. Our 20 per cent royalty would restore the take of the government to its traditional level under the old taxation regime. Under the new regime, the lower progressive incremental royalty replaces the corridor tax of 20 to 25 per cent of gross income.

I have made this point before. The new regime is less onerous than the older one in terms of taxes. It is more onerous in terms of getting on with wells, the Petro-Canada back-in, the length of leases, the speed up of development and so on, but it is less onerous in the sense that it could mean a lower take by the government. I make this point again because it was lost on my Conservative friends in their speeches the other day.

Canadians have paid dearly in tax concessions to the oil companies in the past, ranging as high as $1.23 on every dollar spent by companies in the Canada lands and approximately 63 cents on every dollar spent in exploration on provincial lands.

I heard the arguments in favour of capitalism the other day. I listened to the arguments but I do not see any capitalism.

Mr. Siddon: Why not cut the grants off? You guys started them in the first place.

Mr. Waddell: I would not cut the grants off. If we are to pay 93 cents on every dollar, I would add another seven cents and have Petro-Canada do it for the Canadian people. This seems to make sense.

Mr. Andre: That is because you live in Vancouver where it is warm in the winter. If you lived in a cold area you would not say that.

Mr. Waddell: If the hon. member for Calgary Centre (Mr. Andre) wishes to give a speech, perhaps he could seek the floor and make it like every other member and show a little respect for the House. Since becoming energy critic he has managed to take the Conservative Party right back to the old days of opposing Petro-Canada. This is something the hon. member for Etobicoke Centre (Mr. Wilson), the previous energy critic, tried to steer that party away from and into a more middle course. Now we are back to the dinosaur days of the old Conservative Party.

Be that as it may, tax concessions and write-offs have brought the phenomenal federal income tax rate down from 36 per cent to an effective rate of only 10 per cent since 1974. I referred to page 12 of the National Energy Program for those particular statistics. It is time that taxpayers receive a fair share for their investment in the resource potential of federal lands, especially since under the new NEP grant system they will be funding up to 80 per cent of the cost through grants and up to 93 cents on every company dollar spent on exploration investment. This is set out on page 93 of the NEP. This was admitted by the parliamentary secretary and by the minister in this debate. The basic royalty does not permit itself to reduce by tax deductions or write-offs as does the PIR.

Finally, corporate profits after tax increased by 54 per cent in 1979 to $4.7 billion. They were up another 54 per cent for the first six months of 1980. This is set out in the government's petroleum monitoring survey published in 1980. The tax regime of Bill C-48, even coupled with the budget's new 12 per cent petroleum and gas revenue tax which is loathed by the industry, would lower the government's take from over 60 per cent to 45 per cent of oil and gas revenues on Canada lands. Given those immense profits, the industry can afford to pay a 25 per cent royalty.

In conclusion, I should like to indicate once again why this corner is opposed to Bill C-48. The first reason is that there are enormous tax giveaways in the bill. I have outlined in detail—and I am sure it was in more detail than any member of the House really wanted to hear—that the royalty was very low and that there were tremendous giveaways in terms of grants and tax write-offs. I felt it was necessary to do that, because we must remember that it is the ordinary people of Canada who are giving away these grants and revenue, it is coming out of their pockets.

Second, we oppose the bill because the Canadianization in it is very phony. It simply replaces the big boys, the Rockefellers and the Mellons of the United States oil industry, with the Blairs and the Blacks of the Canadian industry. I am surprised my Conservative friends have not picked up this fact. There is a little conspiracy going on in the finest sense of the term between the Nova Corporation and Dome Petroleum. They will really benefit from the National Energy Program and from Canadianization; it will not be ordinary people. Perhaps some of their shareholders will benefit, but it will be a very small percentage of people compared with Canadians as a whole. The American companies are losing, I admit that. They are feeling a tax bite now, but if they wait a few years they will be okay because oil prices will shoot up by 1983. A few large Canadian companies are really benefiting from this phony Canadianization. My friends to the right may criticize us, myself in particular, but I think our position is quite clear. We are not hiding behind phony Canadianization. We want a greater degree of public ownership in the industry. That is how we would make do with Canadianization.

Since the NEP came in, the government and private companies have spent something like $6.8 billion to take over foreign-owned companies. This has changed the rate of Canadian ownership in the industry from 30 to 35 per cent. With this kind of rate we will need another $15 billion or so to attain the 50 per cent level. There is an easier way to do it. We could simply pass an act in the House to take over Imperial Oil at a price ranging anywhere from $5 billion to $7 billion. This would be a fair market price for the company and we would have 50 per cent the next week. I see the minister sitting opposite. I have suggested this to him, but the government will not do it because it has a nice little deal with Dome and Nova. That is the way it wants to go. It thinks it has those companies in its pockets. The minister may be surprised; perhaps those companies have the minister in their pockets. This is another reason we oppose Bill C-48.

I am not sure how much time I have remaining.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member but his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Waddell: I thank the House, I am sure hon. members have been listening closely to my discussion on progressive incremental royalties. In conclusion, I say that I object to the Canadianization provision, to the poor environmental protections in the bill, and to the sell-out of native people which appears to have happened in the Constitution as well today.

Finally, I invite hon. members to rise with facts and figures. They should not call me names. If they want to rise, it is fine

with me. They should stand up and give me some facts and figures to prove why my facts and figures are wrong, and why my point is not correct. That point is that the progressive incremental royalty system is ineffective and therefore the basic royalty is too low. In this motion we have proposed to change the basic royalty from 10 per cent to 20 per cent and we believe that it should be adopted.

• (1650)

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 29 (Mr. Waddell). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Cullen: On division.

Motion negatived on division.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 30

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 41 by striking out lines 17 to 21 at page 27.

He said: Mr. Speaker, I know everybody wants me to repeat that long speech!

The Acting Speaker (Mr. Ethier): Order, please. Motions No. 30 and No. 31 are grouped for debate but will be voted upon separately. The question is therefore also on Motion No. 31.

Mr. Andre: And Motions Nos. 32 and 33, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Motion No. 32 is grouped for debate also, as is Motion No. 33.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 31

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 41 by striking out lines 6 to 17 at page 33.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 32

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 41 by striking out lines 8 to 12 at page 33 and substituting the following therefor:

"licence is made on or before December 31, 1982, the interest owner of the".

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 33

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 41 by striking out lines 9 to 12 at page 33 and substituting the following therefor:

"drilling was commenced before February 2, 1981 and that qualified to be declared a significant discovery before January 1, 1983, the interest owner of the".

Mr. Waddell: Mr. Speaker, I rise on a point of order. I wonder if you could clarify something for me. I understood Motions Nos. 30, 31, 32 and 33 were grouped for debate but would be voted upon separately.

The Acting Speaker (Mr. Ethier): That is quite correct. They are grouped for debate and will be voted on separately.

Mr. Waddell: I wonder if you could indicate which ones you have called so far.

The Acting Speaker (Mr. Ethier): Motions Nos. 31, 32 and 33.

Mr. Waddell: Which one are you calling at the moment?

The Acting Speaker (Mr. Ethier): The four are grouped for debate now.

The question is on Motion No. 30 (Mr. Waddell). Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Ethier): In accordance with Standing Order 75, the recorded division on the proposed motion stands deferred.

The question is now on Motion No. 31 (Mr. Waddell). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

The question is on Motion No. 32 (Mr. Wilson). All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

An hon. Member: On division.

Motion negatived on division.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 33 (Mr. Lalonde). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 35

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49 by adding immediately after the heading "Environmental Studies Revolving Fund" at page 39 the following:

"49. For the purposes of this section, "Minister" means the Ministre of the Environment."

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I think it is important that we spend a short time dealing with Motion No. 35, put forward by this party in the name of the hon. member for Etobicoke Centre (Mr. Wilson). It is important to realize the basic purpose of the proposed motion, which is to ensure that the very important uses to which the environmental studies revolving fund is put are placed under the prime jurisdiction of a minister who is responsible for environmental matters in this Parliament, that being the incumbent Minister of the Environment.

There are a number of ancillary aspects to this question which arose out of the many briefs presented to the standing committee over several months of hearings in the early part of this year. These relate to the question of the conflict of interest which the incumbent ministers of energy, mines and resources and Indian affairs and northern development might be placed in if acting as the agent who is granted the discretion to issue licences to the proponent companies seeking to pursue exploration and production initiatives on the Canada lands, at the same time as being charged with the responsibility of deciding what environmental studies ought to be initiated under the provisions of, and with the benefit of the funding provided in, Clause 49.

In addition, as will become clear when we deal with Motions Nos. 36, 37, 38 and 39, it is very important that a ceiling be established on the environmental studies revolving fund. It should not merely be allowed to operate at or around the $10 million or $15 million point; a limit should be put on the amount of money that can be spent on environmental studies in a given year. There should also be a requirement that when environmental studies are bought and paid for by the industries that contribute to the fund, the resulting reports will be presented publicly to all interested parties and that financial disbursements from the fund as well as actual studies that are initiated using the resources of the fund be reported to Parliament and referred to the Standing Committee on Fisheries and Forestry for debate.

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

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Administration of justice—Review of mandatory supervision policy. (b) Operation of system; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Human rights—Reported plan to establish civilian internment camps. (b) Terms of Standing Order published in *The Canada Gazette*; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Health—Marketing of baby food by Dumex Company. (b) Query respecting federal-provincial action.

[*English*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions, (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Items Nos. 22, 35, 1, 48, 28, 43 and 5 allowed to stand by unanimous consent.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

PUBLIC SERVICE STAFF RELATIONS ACT

MEASURE TO PROHIBIT RIGHT TO STRIKE

Mr. John Gamble (York North) moved that Bill C-251, to amend the Public Service Staff Relations Act (prohibiting right to strike), be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, this day may not go down in the annals of this House as the day when Bill C-251 was introduced for second reading and committee reference.

Mr. MacLaren: A very reasonable assumption.

Mr. Gamble: However, despite the catcalls from one of our colleages on the other side of the House, permit me, at a time when a significant development has occurred in the country, to depart from the matter before us for just a moment to congratulate the first ministers of Canada who have today, apparently, with but one exception, come to an accord with respect to the Constitution of Canada reserving, of course, unto myself the right, after an examination of the proposed changes in the resolution now currently before this House, to determine whether those amendments indeed deserve the approval of all hon. members, including myself.

While this day, as I have indicated, may not be very significant to hon. members in measuring days of glory, I think it goes without saying that this bill does, however, touch many of the citizens of Canada with respect to an issue in connection with which they have expressed their views on numerous occasions, both to us individually and to the government generally, without appropriate response.

The bill itself in an uncomplicated fashion would add to Section 79(1) of the Public Service Staff Relations Act the words "convenience, mobility or economic wellbeing of the

public", which would require, as a consequence of those additional words, the potential designation as designated employees who cannot strike in the public service, pursuant to the provisions of Section 101(1) of the act, employees who render services which, if withdrawn, would affect the convenience, mobility or economic wellbeing of Canadians. Those additional words follow the words "safety, security," which now alone may be relied upon to categorize a group of employees as being among a designated group of public servants which does not enjoy the right to strike.

As the House will know, this bill was drafted at a time when one of the major groups of employees covered by the act sought to be amended included employees of the Post Office, now the Canada Post Corporation. The Canada Post Corporation Act, by Royal Assent on April 23, 1981, and by proclamation on October 16, 1981, transferred out of the category of public servants covered under the Public Service Staff Relations Act some 43,000 public servants rendering service to the public in the postal field.

I might say that the majority of the concerns which have been expressed to me, motivating in large measure my action in this regard, arose as a consequence of the disruption of service in the Post Office. I might say that with respect to that matter, in a speech which I delivered in this House on April 9, 1981, which is to be found in the *Hansard* for that day, I specifically made reference to the omission in the Canada Post Corporation bill then before the House of a referencce to a prohibition against the right to strike, recognizing that in deleting this group of public servants from the provisions of the act that I sought to amend and the act I hope to amend today there would be a detrimental effect on the over-all objectives of the bill.

How did I come to deal with this matter in this fashion? It was as a consequence of recognizing an obligation which, I believe, all members have and all members, if they reflect upon it, should discharge for the benefit of their constituents. My obligation as a Member of Parliament is to reflect here the views of those who sent me here, and those views are very clear. They are unequivocal.

I had occasion when first elected to dispatch to my constituents a form of questionnaire covering a number of topics of concern which had been expressed to me at the time of the 1979 election campaign, and I accordingly responded to those concerns by canvassing my constituents. Among the questions I asked was the following: "Should federal civil servants in essential services be allowed to strike?" The response I received was overwhelmingly in favour of the prohibition of strikes in essential services.

The riding of York North consists of a number of communities located within three towns, and without exception, although I analysed the results that I obtained from each one of these communities, there was a preponderance of opinion in favour of prohibiting strikes, to the following extent: from the community of Gormley, 94.59 per cent; from Kleinburg, 94.12 per cent; from Maple, 83.33 per cent; from the town of Markham, 86.29 per cent; from Oak Ridges, 78.26 per cent;

from Richmond Hill, 85.23 per cent; from Thornhill, 90.84 per cent; from Unionville, 91.23 per cent; from Woodbridge, 89.47 per cent; and from general areas which were not designated on the returns, 87.4 per cent in favour of the proposition of prohibiting strikes.

Those results were accumulated from 2,676 individual returns which were submitted to me, being householder returns, representing the views of households and, presumably, the views within each of those households of at least two of my constituents. The average response, then, in favour of the proposition before the House was 88.25 per cent.

However, these results are not unique. They are in fact small in terms of the preponderance of view which has been determined by other bodies undertaking similar surveys. For instance, the Canadian Federation of Independent Business conducted a similar survey in 1978 asking the question: "Are you for or against the right to strike in the public sector?" Ninety-five per cent were against the right to strike, 4 per cent were for the right to strike. Bearing in mind that this particular questionnaire was submitted to independent businessmen in Canada, one can well regard their position as being indicative of the business community view.

● (1710)

Hon. members will also note that the question they asked was not as limited as the question I asked. Their question was for the prohibition of the right to strike in all of the public service, not the right to strike in essential services or those services specifically referred to in the bill as those services which, if removed, would create inconvenience, immobility or the lack of economic wellbeing to Canadians, a category which, in my submission, covers a wide enough scope to cover prohibition in essential services in the public service.

The interesting comparison between the results of the Canadian Federation of Independent Business and the results that I obtained can best be explained by the fact that my questionnaire was submitted to all of my constituents. The questionnaire submitted by the federation went to business exclusively but there is not much difference. Certainly when we are dealing with percentages of 95 per cent or 88 per cent, one can appreciate the fact that the general public, including members of public service unions, from whom I have received correspondence recognize that it is improper to withdraw essential services from the public. That withdrawal occurs by the withdrawal of essential services required by all Canadians. There is a general feeling from the correspondence I have received to indicate that even public servants recognize this responsibility and are prepared to accept the proposition, quite frankly for their own benefit in many cases, that it would be appropriate if the right to strike were removed.

On one occasion during the recent strike of CBC technicians I had one gentleman tell me that he was in fact one such employee who no longer had gainful employment. He urged me to do what I could to see that the same thing that happened to him on this occasion did not recur. He found that he was locked out because the CBC would not negotiate in a fashion acceptable to his union. His preference was to work but he no longer could.

My files are replete with correspondence that I have received, some of which I would like to read into the record. I have a letter from a Mr. J. R. Haggerty, a copy of which was directed to me. The letter is addressed to the President of the Treasury Board (Mr. Johnston). Without reciting it all, I will quote some of the pertinent phrases in his letter which is dated September 8, 1981. It reads:

> It is my understanding that you are proposing to initiate actions with a view to eliminating the right to strike by members of the public service, or at least those sectors designated as essential services.

He then goes on to say:

> I find it appalling that government employees can go on strike and cause inconvenience and even danger to innocent people, and I suggest that legislation be passed which would remove the right to strike, and make this fact known as a condition of employment.

Mr. Haggerty underlines the fact that he would prefer that this apply to all sectors of the public service, but in the event it would not, he indicates a number of categories of employees who should be covered by such prohibition. On the second page of his letter he concludes by saying:

> To my mind, the recent postal strike is a national embarrassment and Mr. Ouellet's comments about the unwise dependency of commercial businesses on the mail service make me sick. I believe he also said that there was no point in making strikes illegal because employees would only disobey the law. My God, whatever happened to respect for the law, and enforcement of the law?

If I may, I shall deal with a specific reference he made in his letter. It is well recognized that federal public servants have security of tenure. I recently had occasion at a committee hearing to question the Commissioner of the Public Service Commission who indicated to me that even in the case where there was recognized incompetence and misbehaviour of federal employees it took a full 18 months before they could be dismissed.

There is a security of tenure in the public sector which does not exist in the private sector in Canada. That security of tenure, coupled with indexed pension plans, should be recognized as having a value to offset whatever risk is to be borne by the removal of the right to strike. In many cases, from the standpoint of individual employees, as I have already indicated, this withdrawal of the right to strike can in fact constitute a benefit. The proposed amendment, therefore, is not anti-labour. It may be anti-labour bosses, but it is definitely pro-employee. What is more, it is pro-Canadian and pro-public.

When we are faced with a decision in this House as to whom we serve, there should be no doubt: we serve the public. We do not serve the public servants. The public servants serve the public. I submit that it is our duty to see that that service is rendered, that it persists, that it is there and available for Canadians when they desire it and when, as a consequence of paying taxes, they have the right to demand it.

The second letter from which I will quote is from a Mr. G. R. Turney of Unionville, Ontario. His letter opens with the question "Who is minding the shop?" I shall quote part of his letter. In talking about the postal clerks, he says:

It's not the fact that the clerks are on strike that is the problem to me and the company I work for, but that all those other civil servants have chosen to honour the clerks' picket lines. There's the Post Office, Air Traffic controllers, Airport fire and emergency staff, Canada Customs—to name a few.

Mr. Turney goes on to say:

You think I'm frustrated? You bet I am! It's difficult trying to conduct our regular business profitably these days without these extra costly disruptions, none of which I have any control over. But you people in Ottawa have control. At least that's where the authority is. This country has enough problems in today's marketplace and the world, without creating more of our own.

Mr. Turney concludes by saying:

All these civil servants aren't civil and they don't serve. They just sit back with their guaranteed indexed pensions (which I'm paying for as a taxpayer dammit) and hold the country up for ransom.

Let's get this country moving and moving forward. I don't know how, that's supposedly your job.

This letter was written to me and I read those paragraphs for the benefit of my colleagues in the House. We have an obligation to discharge our duty today. It is an obligation that I urge upon each member. I refer to an answer given in the House by the then postmaster general on July 2, 1981. When I raised the issue of the Canada Post Corporation having a provision prohibiting the right to strike, the minister replied:

Just to take away the right to strike of employees does not necessarily avoid strikes. Those who believe very strongly in certain points will not hesitate to use the means at their disposal to register their point, and that could probably be by illegal strikes.

In my submission, that induces disrespect for the law. That comment is irresponsible. Canadians are a law-abiding group of citizens who are prepared to accept the law as we pass it here. To suggest that we dare not pass laws because we fear that some will disobey them is irresponsible.

What about jurisdictions that have imposed legislation of this kind? We know Prince Edward Island and Newfoundland have legislation prohibiting municipal police forces from striking. They do not strike.

Mr. Orlikow: What about Halifax?

Mr. Gamble: Exactly. In Halifax, Nova Scotia, there is no such legislation covering municipal police forces. In 1981 we had the delightful spectacle of a police force strike in the city of Halifax. The issue of the RCMP is well covered by the legislation as it currently stands. But the matter before the House is that, while certainly it may not extend today to the post office, or what was at one time the post office, it does extend to those other federal services which are being withdrawn by way of sympathy strikes to which reference has been made in the correspondence I have read into the record. The passage of this bill would stop that kind of sympathetic strike.

● (1720)

I believe, and all members of this House should believe, that Canadians are law-abiding and will accept the law passed by Parliament. That is the basis upon which we exist. I urge the House to consider this matter seriously. I urge the House to discharge the responsibility imposed upon every individual member to speak for the constituent, the people of Canada.

Right to Strike

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I am pleased to take part in this debate, Mr. Speaker, basically because it is appropriate that we should be discussing this important subject matter. I should like to start by indicating to the House the purpose of Bill C-251, which is to broaden the class of employees who could be designated so as to include all who perform essential services. That poses a difficult problem for many people, and I will address that issue in my remarks.

Let me respond first to the hon. member for York North (Mr. Gamble). I am not a lawyer and I know he is. I think he knows there are no laws controlling illegal strikes in Nova Scotia. The common law of Canada, Britain and the United States did not grant the right to strike to public servants, but the legislative authorities, parliaments and provincial legislatures, could pass special laws granting this right, and that is in fact what happened federally in 1967 when the House adopted the Public Service Staff Relations Act. The common law, of course, does not grant the privilege of striking, but legislative measures can be put into effect which give employees the right to withdraw their services.

[*Translation*]

Mr. Speaker, just what is a designated employee? Pursuant to Section 79 of the act—I will not read it because those who are interested are aware of this provision—he or she is an employee who acknowledges that a designated employee as defined in that section does not have the right to stop providing or withdraw his or her services. Designated employees have indeed been the subject of numerous studies, and I recall sitting on the Special Joint Committee on Employer-Employee Relations in the Public Service whose report dates back to 1976. Our report was a follow-up on the special report of Mr. Jacob Finkelman, former Chairman of the Public Service Staff Relations Board. I should like to quote from page 47:13 of that report concerning designated employees. I quote:

Both Mr. Finkelman, in his report, and the Treasury Board, in its representations to the committee, proposed that the definition of designated services should be extended.

That is indeed what the hon. member for York North (Mr. Gamble) is advocating.

I continue the quotation:

In some of the representations from organizations outside the public service, suggestions were made which would have broadened the definition to include "essential services". Your committee feels that the phrase "essential services" is too difficult to define and would lead to the inclusion of most public servants. In other words the right to strike would be granted to public servants only to be denied by another process. In balance, we conclude that some extension of designated services beyond safety or security is necessary, to ensure that "health" be included, and to add a new dimension that of protection of public property.

Mr. Speaker, there is no question at all of extending the definition to cover the convenience, the mobility or the economic wellbeing of the public. I am familiar with the arguments put forward by the hon. member, and like him, I often receive comments from people in my riding who would certainly agree with his argument that in order to solve this problem

we should take away the right to strike. I do not think this type of simplistic approach could be justified today, and I should like to put forward some arguments, or at least take a few minutes to recall the historical background of this issue, and then proceed with some more specific comments on the question of withdrawing the right to strike.

Mr. Speaker, in 1967, as I said earlier, the Public Service Staff Relations Act was passed, providing a statutory framework for collective bargaining in the Public Service. In 1973, the government asked the chairman of the Public Service Staff Relations Board, Mr. Jacob Finkelman, to make a study of the situation on the basis of six years' experience, and to make any appropriate recommendations for improving implementation of the legislation. Mr. Finkelman tabled his report in March, 1974. An order of reference from the House and the Senate was tabled and carried, establishing the Special Joint Committee of the Senate and the House of Commons, on which I was privileged to sit with several members of this House, in fact, the member for Nepean-Carleton (Mr. Baker) who sits here in the House was also a member of this committee.

Mr. Speaker, with several colleagues we carefully considered a number of questions, and one of the hardest issues to resolve was that of the right to strike in essential services. The committee met 40 times, dozens of briefs were received and carefully read and considered. All interested parties representing both management and labour testified: the public sector, the private sector, the business community, experts on personnel relations in colleges and universities, experts on labour relations, and university professors. Almost all those appearing before the committee touched on the burning issue of the right to strike in the public service. By tabling his bill, the member for York North has given us another opportunity to discuss this controversial subject.

I disagree with the member for York North that we should take away the right to strike from public servants. The arguments he has put forward are very familiar, but I feel that the solution he is proposing is not only ineffective and unwise but it also fails to resolve the basic issue, that is, how to reconcile the interests of the employee with the employer's efficiency objectives while improving the employee's working conditions. That is the problem and that is what collective bargaining is all about.

In both the private and public sectors it is important to ensure that paid services are not interrupted, especially in the case of services that are paid for by the taxpayer. We all worry about the increasing number of work stoppages which have on occasion become a threat to the public interest, which explains why naturally many people are becoming very concerned about the right to strike in the public service. According to the hon. member, it is intolerable that public services should be interrupted, and he feels that the government is wrong to allow such interruptions by continuing to grant public servants the right to strike, whatever the circumstances may be.

The question once again is how to reconcile the interests of the employee who wants his working conditions to meet with the objectives of the employer, who has to provide effective and reliable service to the public. The right to strike is an issue which does not concern the Public Service of Canada alone. In various degrees and notwithstanding a few important exceptions, the great majority of public employees at the federal, provincial and municipal levels—and I could include the education system in which I spent 11 years and where I certainly witnessed some strikes—have the right to strike. Yet, all their services can be considered essential to the public. It is therefore fair to say that a great many workers representing a high proportion of the Canadian manpower provide services which are in the public interest and that these workers want to keep their right to interrupt their work to make a point about a contentious matter with their employer. This, Mr. Speaker, is the purpose of a strike, to inform the public that there is some disagreement between the management and the employees. I once questioned an expert in this field, and he told me: "In principle, this was supposed to last two or three days in the past, but strikes have become longer, and I understand that there are even strikes which last so long that they seriously affect several economic sectors in a country".

On the other hand, certain proponents of the withdrawal of the right to strike in the Public Service of Canada tend to forget the accomplishments of the parties involved since the act was passed in 1967. Except for a few union leaders who have somewhat tarnished the reputation of the other, more serious and constructive leaders, the great majority of public service unions recognized as negotiators deserve in my opinion the gratitude of the public and of the legislators. They have worked seriously and honestly. Mr. Speaker, our public service unions have solved many organizational and administrative problems. In general, they show great respect for our democratic traditions and have developed a serious and respectable administration. Most of the union leaders have obeyed the law and have tried to contain the elements which favoured non-compliance. For my part, I like to believe that we also have to consider who sits on the other side of the bargaining table, a group of men and women representing the employer who deserve our respect and our support. They have had to adjust and to change with the times, often to bear with bitter criticism from all sides and always to keep in mind that their responsibility was to protect the public interest.

And if we look at the figures compiled by Treasury Board, this objective has been met. Indeed, during the period between the introduction of the act in 1967 and August of 1981, 667 collective agreements were signed. Of these agreements, 420 were signed at the bargaining table, which means that 63 per cent of negotiations were settled amiably without disruption of services. Of these 667 agreements, 164 or 25 per cent were reached by arbitration, once again, without work stoppage; and 56 or 8 per cent were reached by conciliation, once more

without work stoppage. The most surprising figure is the following, Mr. Speaker: 27 collective agreements, or a low proportion of 4 per cent, were reached following a strike. It therefore cannot be suggested or asserted that federal public servants abuse of their democratic right to strike. On the contrary, only an insignificant proportion of agreements were reached in that way.

Therefore the problem does not stem from the right to strike, but rather from the number of illegal strikes, wildcat strikes, and so on. Indeed, there have been 171 such strikes since 1967, including those by postal workers, air traffic controllers, radio operators, labourers, nurses and so on. To withdraw the right to strike would mean only one thing, Mr. Speaker, an increase in the number of illegal strikes. This is the real problem, and this is what we must deal with if we really want to prevent work stoppage. Legislative provisions exist for that. The House is aware of them, namely Section 27 of the Public Service Employment Act. Mr. Speaker, might I recall that in 1978, during the illegal strike of the postal workers, the deputy head threatened to invoke Section 27, which reads, and I quote:

An employee who is absent from duty for a period of one week or more, otherwise than for reasons over which, in the opinion of the deputy head, the employee has no control or otherwise than as authorized or provided for by or under the authority of an act of Parliament, may by an appropriate instrument in writing to the commission be declared by the deputy head to have abandoned the position he occupied, and thereupon the employee ceases to be an employee.

In 1978, recourse to that section was threatened. The Public Service Commission never received, as stipulated in Section 27, a notice to that effect. Which means that in fact it gave results, in that the workers went back to work. The act, as the hon. member said, is there to be observed and we must comply with it. I fully agree with him. All we need is that its provisions be implemented more strictly than is being done at present. That should go a long way towards solving the problem without for all that depriving civil servants of the democratic right they have and do not abuse. In fact, Mr. Speaker, I should like to point our that barely 4 per cent are illegal strikes, and if I add the 27 conventions settled as a result of work stoppages to the 171 illegal strikes, that gives a total of 198 illegal strikes. So, denying them the right to strike would not solve the problem, at least not to my mind, and will change absolutely nothing and only aggravate the situation.

● (1730)

[*English*]

The problems of public sector employer-employee relations are complex, Mr. Speaker, and I agree that no simple all-purpose panacea has been found. The Conservative Party during the last election proposed some form of dispute settlement, a whole series of what I think were probably quite reasonable measures to solve this type of withdrawal from work. But would it have been very effective? I doubt it.

However, Mr. Speaker, I do know the direction in which we should go. It is one which maintains the right to strike and the right to lockouts, which we do not have in the public service, as a tool for both union and management in the process of negotiations. The real dilemma for us is to find the means to safeguard the interests of third parties, such as the public, during this process. And this problem is not peculiar just to public service strikes. Withdrawal of service by airline pilots, refinery workers and so on can inflict as much damage as do strikes by air traffic controllers or postal employees. It becomes a problem of ensuring that responsibility for their actions be exercised by those wielding power. Unfortunately, we shall have to continue to provide punitive measures for those cases where responsibility has not been shown.

Perhaps we need to broaden these to include not only the traditional punishments of fines and prison but also the possibility for legal action by injured third parties against one or both of the parties involved in collective bargaining.

[*Translation*]

Mr. Speaker, I would like to conclude my remarks by calling the attention of this House to the Special Joint Committee on Employer-Employee Relations. My only regret is that, to my knowledge, its 72 or 73 recommendations have never been implemented. The government did not act on them, except on the first ones where the D'Avignon commission was asked to look into one of our recommendations, to study the Employment Act and the implementation of the merit principle. Mr. Speaker, that document includes a host of ideas, honest solutions that were considered in depth by members of this House and senators. In my view, they could restore a degree of confidence in the collective bargaining process. I agree with the hon. member that the law of the land should prevail. This was also the committee's opinion. I would like to conclude on the following quotation, Mr. Speaker:

—your committee has no doubt that where the welfare of the community as a whole is concerned, the right to strike is not sacred and its suspension is the responsibility of the government and Parliament or the appropriate legislature.

The continued protection of the national economic or social interest can be provided by statute at the cost of a total denial of some rights now available to persons providing services to the public; or it can be protected by granting a statutory right to strike and imposing on government and Parliament the responsibility of determining when a strike has so affected the public interest that the right must be suspended.

Your committee recognizes that the public interest can be adequately protected by government and Parliament determining when and where the public interest is adversely affected. When Parliament is dissolved, the governor-in-council should be similarly empowered.

Mr. Speaker, in conclusion, I would ask the government to perhaps take seriously the matter of the right to strike and to use that as a vehicle to bring back the whole question of employer-employee relations before this House, in order that we may discuss further those very important matters, and I thank the hon. member for bringing this forward today.

● (1740)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I listened to the hon. member for York-North (Mr. Gamble)

explain what he is attempting to do with this proposal. The longer he spoke, the more I realized how little he knows about the real world of work and the relationship between workers and management. There are strikes and there are strikes. There are strikes by workers which bother the hon. member for York North a great deal. There are strikes by corporations which he with his background ignores completely.

We have laws in this country having to do with taxation and how certain corporations, and I refer to the oil corporations, shall be taxed. The scope of those laws has now been extended by agreement between the Liberal Prime Minister of Canada (Mr. Trudeau) and the Conservative Premier of Alberta. The so-called law-abiding citizens who run the oil companies in this country have said they do not like that law or agreement, they are not going to abide by it and are now moving their oil rigs from this country to the United States. I did not hear the hon. member for York North criticize them for ignoring those laws and policies reached between the Government of Canada and Alberta.

My friend the hon. member for Nepean-Carleton (Mr. Baker) wants to say a few words. I will leave him a few minutes. Therefore, I will not put on record as I had intended the profit figures to show how well the oil companies have done and how lightly they have been taxed.

An hon. Member: Go ahead.

Mr. Orlikow: No. I like the hon. member for Nepean-Carleton. I know that this question is important to him and I want to allow him a few minutes. I will find another occasion to put those figures on the record.

I want to deal with some of the points raised by the hon. member for York North. He wants to restrict the right of certain groups of public servants to strike. He calls them essential workers. Nobody likes a strike, not those who are adversely affected because a service they are used to has been withdrawn, and particularly not those who go on strike. All workers who go on strike lose the pay they would have received had they continued to work. Very few unions have the financial resources to give much in the way of strike benefits while workers are on strike. Workers do not go on strike lightly.

The hon. member for Ottawa-Vanier (Mr. Gauthier) put on record the small percentage of workers who go on strike as compared to the overwhelming majority who voluntarily settle their differences with their employers. I will not repeat what he said. When workers go on strike, it is usually with good reason. Often the reason has to do with pay. The hon. member for York North should not be surprised that, at a time when the cost of living is increasing by 12 per cent or more a year and workers are offered 3, 4, 5 or 6 per cent increases which would cut their standard of living, workers will not accept that. Sometimes they go on strike because living conditions are bad or their job security is threatened.

The hon. member said that public servants are not laid off. Many will be laid off because of automation and mechanization. The Post Office is a good example of that threat. Automation of the Post Office may have been necessary. However, the Post Office Department and senior officials were very reluctant to give the kinds of guarantees the workers were entitled to so that they would not be displaced from their work. The hon. member shakes his head. If he would look at some of the studies done by judges in recent years, he would see that in every case a great deal of the responsibility for the dissatisfaction of the postal workers was put on management. The hon. member ignores that.

The hon. member wants legislation prohibiting strikes by essential workers. He did not tell us who they are. Are they the postal workers, hospital workers, librarians, those who pick up the garbage? Unless we know who he means, it is difficult to reach a sensible conclusion as to what we should do.

I point out to the hon. member that for many years a number of countries have had the kind of legislation which he proposes. For years Australia and New Zealand were held up as glowing examples of good labour-management relations. They had very complicated and sophisticated laws and regulations.

When times were good, the economies were booming and workers were receiving what they felt was a fair share of the increased productivity, there were very few strikes. In recent years, however, despite the legislation, they have had strikes. As the hon. member for Ottawa-Vanier said, when workers do not have the right to strike legally, they strike illegally.

Let us look at our neighbours to the south. Over the years we have been accustomed to blue collar workers going on strike, the workers in the automobile plants, the mines and the lumber mills. That still happens. However, if you look at what has been happening in the United States in recent years, what do you see? It is the white collar workers, the professional people, those who, if it had been suggested ten years ago that they belonged to a union, would have been horrified and offended, who are going on strike.

Look at the record in the United States. In many cities there the teachers are now on strike although state laws prohibit it. Policemen and firefighters have been on strike. I am not saying I approve of those strikes. I say we should look at the reasons why any group of workers would go on strike, and try to deal with their problems, complaints and demands in a reasonable and sympathetic way. We could then cut down strikes, but not in the way suggested by the hon. member for York North.

The hon. member for York North made another point in passing with which I want to take issue. He suggested that in many instances, the workers do not want to go on strike but they are somehow forced to or coerced by the union or labour bosses. Nothing could be further from the truth than that, Mr. Speaker. There is a strike in my province against International Nickel Corporation in Thompson. That strike has continued for several months. The union negotiating committee several days ago, after meeting with management and with representatives of the labour department, has reached a tentative settlement. I have not heard today or yesterday what has happened. The news media reported that the workers were not satisfied with that agreement and were likely to reject it, despite the fact that their so-called labour bosses had recommended the strike.

• (1750)

The same situation occurred at Inco in Sudbury and it went on for many months. The same situation occurred at Stelco in Hamilton, Mr. Speaker.

I am not passing judgment, nor is any other Member of Parliament passing judgment with regard to these strikes. The point is, Mr. Speaker, that workers go on strike when they feel they are not treated fairly.

An hon. Member: The Tories do not understand democracy.

Mr. Orlikow: The hon. member for Beaches (Mr. Young) says that Tories do not understand democracy. I believe that is a fair characterization of the member for York North. Part of the democratic system we live in is that workers have the right to belong to unions, and if workers are members of unions, they have the right to negotiate with their employers. They have the right to decide that they have not been able to reach an agreement that is fair and, therefore, that they will proceed to arbitration, voluntary or binding, or they will proceed to strike. The employer has the right to lock workers out. This is part of the democratic system in which this country and most democratic countries operate. I wish the hon. member for York North would understand that.

I shall deal with one more point, Mr. Speaker. Does everything I have said today mean that I do not believe there can be or should be any restrictions on the right of workers to strike? No, it does not mean that, Mr. Speaker. What I suggest to the hon. member for York North is that the best way to maintain harmonious relations between workers and employers, whether they be public or private, is to grant them the right to strike.

Does that mean that a group of workers who are part of an essential service should be permitted to go on strike and stay off indefinitely, regardless of the harm it may cause to the community? No, it does not mean that, Mr. Speaker. We have many illustrations before us where the governments, be they Conservative, Liberal or NDP at the federal or provincial levels, have said with regard to a particular strike that is adversely affecting the community that enough is enough. As I have said, governments, be they Conservative, Liberal or NDP, on occasion, when a strike has continued for too long and was really hurting the whole community, have passed legislation requiring those particular workers to return to work.

This is not a simple solution, Mr. Speaker. The agreement does not satisfy all those people who wrote to the hon. member for York North and some people who wrote to me. However, Mr. Speaker, it is a system that works best and impinges the least on the rights of workers, as it impinges the least on anyone else.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, the wonderful advantage about private members' hour is that it allows Members of Parliament to advance any proposition they desire. It allows members on either side of the House, from time to time, to disagree with a proposition that is being advanced.

Right to Strike

At the outset, I have to say, so that it is quite clear, that the proposition put forth in the hon. member's bill, although it is couched in interesting words, "convenience, mobility and economic wellbeing of the public," amounts to a bill, if it were passed by this House, to prohibit the right to strike in the public service. Perhaps other hon. members will speak with regard to this matter.

I shall make my position very clear: I oppose the bill.

Some hon. Members: Hear, hear!

Mr. Baker: This does not say there are not some problems with respect to the public service that have to be addressed by the government and perhaps some day by this Parliament. We did address the matter in the Finkelman report, and nothing happened, as the hon. member for Ottawa-Vanier (Mr. Gauthier) said. We have some problems. In the few moments that I have, I think it would be a good idea if I asked hon. members to recall what Mr. Finkelman said. At page 124 of the first volume of the Finkelman report he said:

> To my mind, to outlaw strikes by public servants at this juncture would be counterproductive.

I agree with that. He went on:

> We should go to great lengths to make the bargaining process work better. "The best way of resolving impasses is to prevent them from arising." Then, if an impasse is reached, every possible step should be taken to encourage resort to arbitration, a technique whose time appears to have come. To compel public servants at this stage to rely solely on arbitration would tend to mobilize opposition to its use and would make of it in their eyes an evil to be avoided rather than a measure that might be looked upon as enabling employees to gain an equitable recognition of their needs without resort to disruptive action.

What Mr. Finkelman was advocating was a bit of good sense and an approach that would require the government and Parliament to examine a number of things.

We as a party have suggested, as the hon. member for Ottawa-Vanier said, the establishment of a kind of public interest dispute commission. There is some doubt about the validity of that, but that was the suggestion put forward.

We have also suggested that this House should address issues that are negotiable but not arbitrable, to drive as many people as possible to see the efficacy of a reasonable settlement of disputes. As the hon. member for Ottawa-Vanier said, "The record is not bad. There are violent exceptions but it is not bad".

Public servants, Mr. Speaker, are not sitting at home dying to get on the picket line. Public servants want their mail delivered, hospitals to operate, and teachers to teach. They are no different than anyone else. They are as inconvenienced a group as is any other group in society. What they want, I think, is for the government and Parliament to address the issues rationally.

Some hon. Members: Hear, hear!

Mr. Baker: This is what we tried to accomplish in the joint committee. Perhaps that is what we will have to do again.

In closing, let me make a suggestion to the House. We have had excellent results with parliamentary task forces and select

committees. Perhaps this is the kind of issue that should be addressed there. We must hear all sides of the issue and of the question.

I could go on for some considerable time, Mr. Speaker. I think we have a responsibility to the public service, no matter where we sit in the House of Commons, whether in opposition or in government. I think the government from time to time, and I say this with respect, has neglected its responsibility to the public service. Perhaps that is one way in which we could get to the truth. Sometimes it is a very enlightening experience.

May I call it six o'clock.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, the hour provided for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 35 (Mr. Wilson).

Mr. Deputy Speaker: Order. I understand when the House adjourned at six o'clock, Motion No. 35 had been under debate. I am quoting from the remarks of Madam Speaker at report stage of the bill when she stated:

> Motion No. 35 standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson) is consequential on Motion No. 36. However, Motion No. 36 causes some misgivings to the Chair. I refer the hon. member to Section 4 of Citation 773 in Beauchesne's fifth edition, which reads in part:
>
> "(a) An amendment is inadmissible if it refers to, or is not intelligible without, subsequent amendments or schedules, or if it is otherwise incomplete".
>
> Then Madam Speaker went on to say:
>
> However, the hon. member will be given an opportunity when these motions are called to present his views.

In light of this comment, I propose to the House that Motions Nos. 35 and 36 be considered together. I invite hon. members to comment on the point which was raised by Madam Speaker.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 36

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49

(1) by striking out lines 15 to 39 at page 39 and substituting the following therefor:

"49.(1) There shall be established in the accounts of Canada a revolving fund under the administrative responsibility of the Minister of the Environment, to be known as the Environmental Studies Revolving Fund.

"(s) In this section, "fund" means the Environmental Studies Revolving Fund.";

(2) at page 28 by substituting the word "fund" for the words "relevant fund" wherever the latter words occur; and".

Mr. Andre: Mr. Speaker, I should like to comment on the point you raised. While we think we could perhaps present arguments which might have some influence, we are also impressed by the arguments on the other side of that particular question and, therefore, will not press the point.

While I have the floor I should like to raise a point of order dealing with the business of the House. We had an opportunity as a caucus to consider developments today. We recognize that within the next few days and weeks the business of the House will consist of a budget and the necessary debate and perhaps, sooner than later, discussions of matters constitutional. While we believe that Bill C-48 is not good legislation—we think it is very bad—and we hope that the government will change it, it is obvious at this stage of the proceedings, after days and indeed weeks of discussion, that we are unable or not likely to be able to convince hon. members opposite to change their minds. Therefore, perhaps government members and members of the NDP are willing—certainly I have that authority on behalf of my party—to give unanimous consent to a procedure which would allow us to consider all remaining motions on report stage of Bill C-48 and conduct all necessary votes this evening to dispense with this stage of the proceedings.

Some hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I have had the opportunity of speaking with the government House leader, who is still engaged in his caucus, and have explained to him what has just been explained to the House by our energy critic. He will be in the House shortly. He seems to be agreeable. Between himself, myself and the House leader for the New Democratic Party, I think it is possible to work out a system whereby we could put these votes in such a manner as to occupy the least amount of time this evening.

Mr. Deans: Mr. Speaker, I do not have any objection at all to voting; I am always prepared to vote at any time. In fact, we have been prepared to vote for some time. I listened to the hon. member who proposed that we could proceed to a vote. He said that there was a system which he was prepared to follow that might allow the vote to take place. Subject only to knowing what the system is, I would be happy to give my

agreement to proceeding with the vote tonight, right now, or whenever.

Mr. Waddell: Mr. Speaker, apropos of what our acting House leader has said, there is a problem in that this would mean approximately 20 votes. We have no objection but it seems to me that 20 votes could take up about four hours.

Mr. Siddon: That is fine.

Mr. Waddell: I hear my friend saying that that is fine, but rationally speaking it may be helpful to have some sort of agreement as to—

Mr. Siddon: Let's vote!

Mr. Waddell: Mr. Speaker, I am sorry, but I cannot—

Mr. Deputy Speaker: The hon. member for Vancouver-Kingsway (Mr. Waddell) has the floor.

Mr. Waddell: Thank you, Mr. Speaker. I think it might be helpful if there were some consultation before going into four or five hours of voting. It seems to me it might be smarter to agree on which motions could be dealt with by voice vote and which ones require a division.

Mr. Nielsen: Mr. Speaker, the hon. member is probably not aware that we had those consultations between five and six o'clock tonight. There were three alternatives, any one of which could shorten the voting procedure tonight. But in the meantime, while we are awaiting the return of the government House leader, I would suggest that Mr. Speaker request now the unanimous consent of the House to commence the voting, and when the government House leader arrives, he and I and the New Democratic Party House leader could get together to work out a system which I am sure we can do to shorten the voting procedure.

Mr. Cousineau: Mr. Speaker, before you ask for unanimous consent, I would prefer that my leader be in the House at this time. Judging by what I can see all around me, if Mr. Speaker asks for unanimous consent, we will not give it.

Some hon. Members: Oh, oh!

Mr. Kempling: You are holding up your own bill!

Mr. Deans: Mr. Speaker, I would suggest, if I may, that you announce the business as it is now before the House and proceed with it in the normal fashion. When the House leaders for the official opposition and for the government meet together with me, we could report back on how the voting should take place according to whatever arrangement we have made, and at that point perhaps we could proceed to the voting.

Mr. Deputy Speaker: At this stage it appears to the Chair that a helpful suggestion has been made by the hon. member for Yukon (Mr. Nielsen). I wonder whether it would be the pleasure of the House that we continue the debate for a few minutes and when the government House leader arrives, I am sure the matter could be resolved. There appears to be a disposition to do so as far as the Chair can read the mood of the House.

Mr. Roberts: Mr. Speaker, I apologize to you and to the House for arriving a few moments following the resumption of the discussion at eight o'clock.

• (2010)

I take it that the House leader for the official opposition is trying to be helpful in making suggestions about how the business of the House might be expedited and how we might be able to bring to a conclusion a debate on this motion and bring together the various amendments which have been made and vote on them all this evening. If I understand him correctly, that is what he is suggesting. I am not sure whether he has discussed this possibility with the House leader on the government side.

Mr. Nielsen: Mr. Speaker, may I interrupt?

Mr. Deputy Speaker: The hon. member for Yukon.

Mr. Nielsen: Mr. Speaker, may I interrupt the minister and assure him that I have done just that. The government House leader is at his own caucus meeting at the moment. However, I informed him and he said that he would be in the House as soon as he could. In the interim, I have suggested that we should give unanimous consent to commencing the voting in anticipation that we will be able to devise a means to shorten what could amount to 37 votes. I suggest that what we do now is to sound the bells.

Now that there is a representative of the government to give a response to that, I would suggest that, in the interests of expediting the business of the House, he should agree and we should sound the bells. That would bring his House leader back. I can assure him that we can work out an arrangement and get the voting over tonight and completely dispose of report stage of the bill.

Mr. Deputy Speaker: The hon. member for Yukon (Mr. Nielsen) has made a suggestion but the Chair is concerned from the point of view of procedure at this time. There is a motion before the House and it appears to the Chair that we have to dispose of that motion in an orderly way. I am sure there can be agreement to go through the motions quickly or to call them and then commence the votes.

It would appear to be procedurally irregular to simply discontinue discussion on a motion that is before the House and other motions which are at report stage without giving them some consideration by the House. If the House is of a mind, the Chair would simply at this time call the vote on the motions *seriatim*. I think it could be done quickly, and at the end of the procedure we could go to a vote.

Mr. Roberts: It is not that I am anxious to have the debate prolonged but I am concerned because I have not been completely privy to the conversations which have taken place

between our House leader and the House leader of the official opposition. As far as I am able to understand it, there has not been, or at least there is not available to members of the New Democratic Party present in the House, any knowledge, understanding or agreement about the course of action which has now been suggested.

Mr. Kempling: Sure there is.

Mr. Roberts: The hon. member says there is, but as far as I can understand from representatives of the NDP who are here, there is not.

Mr. Deputy Speaker: Order, please. At this time the Chair is going to call the question on the motion before us, but before doing so the Chair—

The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren).

Mr. MacLaren: Mr. Speaker, the suggestion has been made this evening, as I understand it, that we should dispose of the motions in the normal way and then proceed to voting in accordance with a procedure which was under discussion among the three House leaders. I believe the whips were involved as well as the House leaders.

The fact is that I have understood from the House leader between the hours of six and seven this evening that it was his expectation, as the result of discussions which were held earlier today about the business of the House, that debate on Bill C-48 would continue this evening and we would revert to other matters tomorrow. Another bill would be before the House tomorrow.

Mr. Deputy Speaker: The Chair has listened to the hon. parliamentary secretary. The House appears to be ready for a ruling in regard to Motions Nos. 35, 36 and 37. The Chair is prepared to so rule unless there is objection to that.

Mr. Evans: Mr. Speaker, I would assume, if I am not mistaken, that the vote is taken when there are no other members who wish to speak on the motions.

Mr. Deputy Speaker: Order, please. At this stage, may I recall to the House that the Chair has indicated procedural concerns relating to Motions Nos. 35 and 36 and has invited debate relating to these motions.

Not hearing debate related to those motions nor any comment, the Chair is now prepared to make a ruling with regard to them.

Mr. MacLaren: Mr. Speaker, with my comment a moment ago I thought I was contributing to the orderly procedures in the House, but evidently that was not the case.

We have before us this evening Motion No. 35 which stands in the name of the hon. member for Etobicoke Centre (Mr. Wilson). Under that motion we would have a situation where the Minister of the Environment (Mr. Roberts) would be solely responsible for the environmental studies revolving fund which is provided for—

Mr. Nielsen: Mr. Speaker, a point of order.

Mr. Deputy Speaker: With all due respect to the parliamentary secretary, the Chair has grave reservations about the admissibility of these two motions, and is prepared to rule.

Mr. Nielsen: Mr. Speaker, I have just one sentence to contribute. For heaven's sake, I have never in my life seen a government so reluctant to pass its own legislation!

Mr. Deputy Speaker: Order, please. For the reasons that have been indicated by the Chair and in accordance with the citations from Beauchesne, it appears that Motions Nos. 35 and 36 are inadmissible and will be ruled out of order at this stage.

The Chair will now proceed to Motion No. 37 which stands in the name of the hon. member for Etobicoke Centre (Mr. Wilson), which reads:

Motion No. 37

July 10, 1981—That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49 by striking out lines 47 and 48 at page 40 and substituting the following therefor:

"ties under this act or any other act of Parliament and such payments shall not exceed sixty million dollars in any two succeeding fiscal years."—

Mr. Deputy Speaker: It appears to be inconsistent with Clause 49(13) of the bill. I will read from the earlier ruling of Madam Speaker with respect to this motion when she said:

Motion numbered 37 standing in the name of the hon. member for Etobicoke Centre appears to be inconsistent with Subclause 49(13) of the bill. In this respect, I refer the hon. member to Beauchesne's fifth edition, Citation 773(2) and I quote:

For the reasons indicated by Madam Speaker, Motion No. 37 also appears to be out of order and is ruled inadmissible.

Three motions, Nos. 38, 39 and 40 are grouped for debate with the same mover and seconder for each.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 38

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49 by adding immediately after line 40 at page 41 the following:

"(15) Any reports or other results of environmental studies paid in whole or in part by the fund under subsection (9) shall be made available, within a reasonable time after completion, to every person who is an interest holder and, at a cost no greater than the direct cost of copying, shall be provided to any person who so requests in writing."

Motion No. 39

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49 by adding immediately after line 40 at page 41 the following:

"(16) The accounts and financial transactions relating to the fund shall be audited annually by the Auditor General and a report thereon shall be made to the minister.

(17) The minister shall, on or before the 31st day of December next following the end of each fiscal year, prepare a report, relating to the operations of the fund for that fiscal year, including, but not limited to, all environmental studies undertaken or completed and paid in whole or in part by the fund under subsection (6).

(18) The minister shall forthwith cause the reports mentioned in Subsections (13) and (14) to be laid before Parliament or, if Parliament is not then

sitting on any of the first 15 days thereafter that either House of Parliament is sitting, and such reports shall stand permanently referred to the Standing Committee on Fisheries and Forestry of the House of Commons"—

Motion No. 40

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 49 by adding immediately after line 40 at page 41 the following:

"(19) For the purpose of assisting the minister with the administration of the fund, and payments therefrom, the Governor in Council shall establish and set the terms of reference of one or more advisory councils each consisting of not more than ten members serving without remuneration to be selected from outside the public service of Canada, and appointed by the Governor in Council to hold office for such term as the Governor in Council may determine with members representative of interest holders, provincial or territorial governments and native and public interests.

(20) Except for meetings dealing with clauses of information exempted from public disclosure by regulations, or with proprietory information of an interest holder, every portion of every meeting of an advisory council established under Subsection (15) shall be open to public observation."

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

Mr. Deputy Speaker: I will recognize the hon. member for Yukon (Mr. Nielsen) and subsequently I will recognize a government spokesman.

● (2020)

Mr. Nielsen: Mr. Speaker, I rise on a point of order. There seems to be some confusion and disarray over there, which certainly was not intended. I did telephone the government House leader and informed him of the intention of this party to assist in passing this legislation this evening, in view of the circumstances explained by our energy critic. So, rather than having any further confusion—I am convinced that we can come to agreement in 10 or 15 minutes with respect to the method of dealing with the votes tonight so that we can have the entire report stage disposed of—I suggest that you might put to hon. members the suggestion that, with unanimous consent, we rise for 10 or 15 minutes, have a House leaders' meeting and work the method out, then come back here and vote on the entire report stage.

The government House leader is now here. He will recall that I called him. I just finished suggesting that Mr. Speaker might, with the consent of all members of the House, suspend our sitting for 10 or 15 minutes so that the three House leaders can work out an arrangement—which I am sure can be achieved in 10 or 15 minutes—and so that we can come back and vote on all motions to dispose completely of the report stage of this bill by 9.45 or ten o'clock tonight.

[*Translation*]

Mr. Deputy Speaker: The President of the Privy Council has the floor.

Mr. Pinard: Mr. Speaker, I apologize for my absence, but it is true that around eight o'clock I had a telephone conversation with the House leader of the Progressive Conservative Party. The bells had just stopped ringing when I reached him. I spoke with the House leader at 8.02 or 8.03 p.m. Maybe he came to my office before that, but I was in caucus.

[*English*]

Mr. Nielsen: Seven forty-five.

Mr. Pinard: Seven forty-five? Well, I spoke to my hon. colleague at eight o'clock when the bell was ringing, not before that. It was not 7.45.

Mr. Cousineau: Seven forty-five; no way. You have the wrong clock.

Mr. Deputy Speaker: There is a proposal that the House adjourn for 10 minutes so that the House leaders can confer. This would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Pinard: Mr. Speaker, I will come to that, if you please, but I just want to rectify what was perhaps an error made by the hon. gentleman. He did not speak to me before eight o'clock. That having been said, when we spoke together—I was in a caucus—he told me that he intended to allow all amendments and the report stage to be voted on tonight. I agreed to that, and I still agree to that. Now he suggests that we meet together and try to orchestrate or organize the vote so that it does not take too long. I am willing to do that. We are willing to do that, and when we come back in 15 minutes, hopefully there will not have been disagreement. Then the bells will ring to call the members and, when we are ready, we will vote.

Mr. Nielsen: That is acceptable, Mr. Speaker, and I want to clarify a misconception. It was immediately preceding eight o'clock that I spoke with the government House leader; however, I did speak with his office personally at 7.45. I understand it would have taken some time to reach him and for him to call me back. We had the same problem this afternoon when he was calling with respect to other matters.

Mr. Deans: Mr. Speaker, as I said earlier, I have absolutely no objection to voting. I just ask, Sir, that rather than adjourn the House, which would necessitate our coming back then to deal with the outstanding motions, which will have to come before the House in any event, while the three House leaders are meeting Your Honour might simply go through the outstanding motions which are yet to be discussed or dealt with and. When we return, since there does not appear to be any necessity for great debate, as we will have completed all the business that should be before the House the bells could start ringing. We could then proceed with the votes.

Mr. Deputy Speaker: The Chair is in the hands of the House.

Mr. Pinard: Mr. Speaker, I want it to be clear that when we vote, it will be on all the amendments and the report stage tonight. I want that to be clear, and I want it to be clear also that the bells will ring for the time necessary to call in all the

members and that the time of the ringing of the bells will be unlimited. I do not mind if the bells ring now and we work out the agreement while they are ringing, but if hon. members opposite prefer that we adjourn for 15 minutes, I do not mind that either.

Mr. Nielsen: I suggest we ring the bells now and get down to working out the details of the voting arrangements. I hope it will be possible for the government to have its members here so that we do not have bells ringing for one, two or three hours. We would all like to see this matter disposed of as quickly as possible, perhaps by 9.45, ten o'clock or whatever. I certainly hope the ringing of the bells is not extended.

Mr. Deans: Mr. Speaker, I put it to you that to ring the bells at this precise moment would require us, after the bells had rung and the votes had been taken, to return to the votes which have not yet been dealt with at report stage. I ask simply that we complete the votes which are still outstanding at report stage before the bells ring.

Mr. Deputy Speaker: The Chair has a proposal to make to the House. If someone would care to move all the outstanding motions in one motion, they could be voted on as one motion.

Mr. Nielsen: With consent.

Mr. Deputy Speaker: This would require the unanimous consent of the House. It would then be possible to vote *seriatim* the items which have been stood up to this point, which would meet the point of the hon. member for Hamilton Mountain (Mr. Deans). Is someone prepared to move all the remaining outstanding motions at once with the unanimous consent of the House?

Mr. Nielsen: Mr. Speaker, I will so move and prepare that motion in writing, if I can have your patience for a moment or two.

Mr. Lonsdale: Mr. Speaker, I rise on a point of clarification. Could you perhaps advise the House how many motions are outstanding at this time and under whose names they are put?

Mr. Deputy Speaker: In answer to the question, I have put the question on Motions Nos. 38, 39 and 40. One subsequent motion is Motion No. 42. Motions Nos. 43 and 50 were ruled out of order. Motion No. 44 is out of order. Motions Nos. 45, 46, 47, 48 and 49 should be voted. Motion No. 50 was ruled out of order. Motions Nos. 51, 52 and 53 have been completed, with recorded divisions. Motion No. 54 would have to be put, and that would be all.

Hon. Erik Nielsen (Yukon) moved:

That all outstanding motions be called as one—now—and the yeas and nays recorded.

Mr. Deputy Speaker: Is there unanimous consent to accept this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

● (2200)

Following the ringing of the division bells:

Hon. Erik Nielsen (Yukon): Mr. Speaker, I have had discussions with the government House leader, with the House leader for the NDP and with the Clerk and other Table officers as a result of which there has been a general consensus that we can expedite the voting this evening and disposition of the report stage of this resolution if I seek the unanimous consent of the House to withdraw the motion which caused the division bells to ring, which have just stopped, and at the same time stipulate the understanding that unanimous consent would also be sought, if the first suggestion is adopted, to the suggestion that all the remaining outstanding motions be disposed of without debate.

Mr. Deputy Speaker: Is there unanimous consent that the hon. member be permitted to withdraw his motion?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed. Is there unanimous consent, that the remaining items should be voted on without debate?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed.

The first question is on Motion No. 38 in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The question is now on Motion No. 39 in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

• (2205)

The question is on Motion No. 40 standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

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

The question is on Motion No. 42 standing in the name of the hon. member of Energy, Mines and Resources (Mr. Lalonde).

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 42

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas production and Conservation Act, be amended in Clause 55 by striking out lines 18 and 19 at page 47 and substituting the following therefor:

"and where an interest is cancelled the Canada lands thereunder become Crown reserve".

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

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

Mr. Nielsen: On a point of order, Mr. Speaker. I think your gaze was deflected for a moment. No one on this side stood.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Under the circumstances I declare the motion carried.

Motion (Mr. Lalonde) carried.

The question is on Motion No. 44 standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 44

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 56

(*a*) by striking out lines 18 and 19 at page 48 and substituting the following therefor:

"and place for a hearing before the National Energy Board and, on receipt of such request the Board shall appoint a time and place for a hearing."

(*b*) by striking out lines 24 and 25 at page 48 and substituting the following therefor:

"of which a hearing has been held, the National Energy Board shall consider the representation made".

Mr. Deputy Speaker: Motion No. 44 appears to increase the jurisdiction of the National Energy Board and goes beyond the scope of the clause it seeks to amend. For that reason Motion No. 44 is ruled out of order.

The question is on Motion No. 45 standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 45

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 56 by striking out lines 27 to 29 at page 48 and substituting the following therefor:

"and shall on request by any person who has requested notice in writing, whether such request relates to one particular decision, declaration, determination or order or to all such actions of the Minister, specifying the decision, declaration,".

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

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

The question is on Motion No. 46 standing in the name of the hon. member for Etobicoke-Centre (Mr. Wilson).

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 46

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 56 by adding immediately after line 29 at page 48 the following:

"(4) Except for meetings dealing with classes of information exempted from public disclosure by regulations, or with proprietory information of an interest holder, every portion of every meeting of a hearing conducted pursuant to this section shall be open to public observation."

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

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

The question is on Motion 47 standing in the name of the hon. member for Nunatsiaq (Mr. Ittinuar).

Mr. Peter Ittinuar (Nunatsiaq) moved:

Motion No. 47

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 56 by adding immediately after line 2 at page 49 the following:

"(6) Notwithstanding anything in this act, where the Minister proposes to make an order in respect to:

(a) the granting of exploration agreements, leases, permits, special renewal permits, and production licences;

(b) declarations of significant discovery;

(c) drilling of wells;

(d) declarations of commercial discovery; and

(e) the matters described in Section 48,

the aboriginal peoples affected by such an order shall be given reasonable notice by the minister through their authorized representatives."

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

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

The question is on Motion 48 standing in the name of the hon. member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 48

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 71 by striking out lines 3 to 9 at page 55.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

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

The question is on Motion No. 49 standing in the name of the hon. member for Nunatsiaq (Mr. Ittinuar).

Mr. Peter Ittinuar (Nunatsiaq) moved:

Motion No. 49

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 76 by adding immediately after line 4 at page 59 the following:

"(iv) requirements for the carrying out of environmental and social programs, studies or procedures as determined by the Minister of the Environment or by regulation of the Governor in Council."

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

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

● (2210)

The question is on Motion No. 54 standing in the name of the hon. member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena) moved:

Motion No. 54

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 80 by striking out lines 25 to 44 at page 64, lines 1 to 43 at page 65 and lines 1 to 12 at page 66 and substituting the following therefor:

"19.2(1)(a) A Compensation Fund will be established by the Minister of the Environment to provide for damages.

(b) the Compensation Fund shall be funded by all persons who obtained an authorization under paragraph 3.2(1)(b) by letters of credit totalling at least $500 million.

(c)(i) the Compensation Fund shall be administered by a board appointed by the Minister and will be called the "Compensation Fund Board."

(ii) in addition the federal officials the board referred to in (i) above shall consist of representatives from onshore and offshore fishing organizations, native groups, territorial and provincial governments, and industry.

(d) any person(s) claiming for damages may apply directly to the Compensation Fund for the recovery of funds due to a spill or related damage.

(e) the Board shall review the case and make payment to the person filing the claim.

(f) the letter of credit referred to in Subsection 2(b) shall be received, and where an individual operator has been found at fault the Compensation Fund shall recover the award from the letter of credit.

(g) where the damage costs exceed the individual letter of credit supplied by the proponent, the compensation shall be made from the letters of credit as a whole.

(h) The Minister shall report annually to Parliament on the operations of the fund and the board.

(i) the Governor in Council may make regulations for the administration of the fund and the board."

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Last July Madam Speaker indicated that Motions Nos. 1 and 2 seek to include a preamble in the bill which was introduced into the House without a preamble. For the benefit of hon. members, Madam Speaker quoted Section (3) of Citation 779 from the fifth edition of Beauchesne's and also referred to page 531 of Erskine May's nineteenth edition. These sources indicate the motions appear to be out of order, and I so rule.

The House will now proceed to taking the deferred divisions on Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The first question is on Motion No. 3.

The House divided on Motion No. 3 (Mr. McGrath), which was negatived on the following division:

(Division No. 90)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

● (2215)

Mr. Deputy Speaker: I declare the motion lost.

Motion No. 3 (Mr. McGrath) negatived.

● (2220)

Mr. Deputy Speaker: The next question is on Motion No. 52.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. If you now proceed to Motion No. 38, followed by Motions Nos. 39, 40, 45 and 46 *seriatim* and request unanimous consent to apply the recorded vote just taken on Motion No. 3 to each of those motions individually, you will probably receive consent.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent that the recorded vote on Motion No. 3 will apply to Motion No. 38 (Mr. Wilson)?

Some hon. Members: Agreed.

The House divided on Motion No. 38 (Mr. Wilson) which was negatived on the following division:

(*Division No. 91*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan

Messrs.

Roberts	Savard	Tousignant
Robinson (Etobicoke-Lakeshore)	Simmons	Turner
Rompkey	Smith	Veillette
Rossi	Tardif	Watson
Roy	Tessier	Weatherhead
	Tobin	Yanakis—121.

Motion No. 38 (Mr. Wilson) negatived.

Mr. Deputy Speaker: Is there unanimous consent that the recorded vote will apply to Motion No. 39 (Mr. Wilson)?

Some hon. Members: Agreed.

The House divided on Motion No. 39 (Mr. Wilson) which was negatived on the following division:

(*Division No. 92*)

YEAS

Messrs.

Andre	Gustafson	Murta
Anguish	Halliday	Nielsen
Baker (Nepean-Carleton)	Hargrave	Nowlan
Beatty	Hawkes	Nystrom
Benjamin	Heap	Oberle
Blackburn	Hees	Ogle
Blaikie	Hovdebo	Orlikow
Blenkarn	Howie	Paproski
Bosley	Jarvis	Parker
Bradley	Jelinek	Patterson
Broadbent	Jewett (Miss)	Rae
Clark (Yellowhead)	Keeper	Reid (St. Catharines)
Clarke (Vancouver Quadra)	Kempling	Riis
Cook	Kilgour	Robinson (Burnaby)
Cooper	Kushner	Roche
Corbett	Lambert	Rose
Crosby (Halifax West)	Lawrence	Sargeant
Darling	Lewis	Schellenberger
Deans	Lewycky	Scott (Hamilton-Wentworth)
de Jong	MacDonald (Miss)	Scott (Victoria-Haliburton)
Domm	MacKay	Shields
Ellis	Malone	Siddon
Elzinga	Manly	Stevens
Epp	Mayer	Stewart
Fennell	Mazankowski	Taylor
Fraser	McCain	Thacker
Fretz	McCuish	Towers
Friesen	McGrath	Vankoughnet
Fulton	McKenzie	Waddell
Gamble	McKinnon	Wenman
Gass	McKnight	Wilson
Gilchrist	McMillan	Wise
Greenaway	Miller	Wright
Gurbin	Mitchell (Mrs.)	Young—103.
	Munro (Esquimalt-Saanich)	

NAYS

Messrs.

Allmand	Breau	Corriveau
Appolloni (Mrs.)	Bujold	Côté (Mrs.)
Axworthy	Burghardt	Cousineau
Bachand	Bussières	Cullen
Baker (Gander-Twillingate)	Caccia	Cyr
Beauchamp-Niquet (Mrs.)	Campbell (Miss) (South West Nova)	Daudlin
Bégin (Miss)	Campbell (LaSalle)	De Bané
Berger	Chénier	de Corneille
Blais	Chrétien	Deniger
Blaker	Collenette	Desmarais
Bloomfield	Comtois	Dingwall
Bossy	Corbin	Dion
		Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)	Kelly	Ostiguy
Dubois	Killens (Mrs.)	Ouellet
Dupont	Lachance	Parent
Erola (Mrs.)	Lajoie	Pelletier
Ethier	Lalonde	Penner
Evans	Lamontagne	Pepin
Ferguson	Landers	Peterson
Fisher	Lang	Pinard
Flis	Laniel	Portelance
Foster	Lapierre	Prud'homme
Fox	Lapointe (Charlevoix)	Regan
Frith	Lapointe (Beauce)	Roberts
Garant	LeBlanc	Robinson (Etobicoke-Lakeshore)
Gauthier	Lefebvre	Rompkey
Gendron	Lonsdale	Rossi
Gimaïel	MacBain	Roy
Gourde (Lévis)	MacEachen	Savard
Gray	MacGuigan	Simmons
Guilbault	Mackasey	Smith
Harquail	MacLaren	Tardif
Henderson	Malépart	Tessier
Herbert	Maltais	Tobin
Hopkins	Marceau	Tousignant
Hudecki	Massé	Turner
Isabelle	McCauley	Veillette
Johnston	McRae	Watson
Joyal	Munro (Hamilton East)	Weatherhead
Kaplan	Olivier	Yanakis—121.

Motion No. 39 (Mr. Wilson) negatived.

Mr. Deputy Speaker: Is there unanimous consent that the recorded vote will apply to Motion No. 40 (Mr. Wilson)?

Some hon. Members: Agreed.

The House divided on Motion No. 40 (Mr. Wilson) which was negatived on the following division:

(*Division No. 93*)

YEAS

Messrs.

Andre	Gamble	McGrath
Anguish	Gass	McKenzie
Baker (Nepean-Carleton)	Gilchrist	McKinnon
Beatty	Greenaway	McKnight
Benjamin	Gurbin	McMillan
Blackburn	Gustafson	Miller
Blaikie	Halliday	Mitchell (Mrs.)
Blenkarn	Hargrave	Munro (Esquimalt-Saanich)
Bosley	Hawkes	Murta
Bradley	Heap	Nielsen
Broadbent	Hees	Nowlan
Clark (Yellowhead)	Hovdebo	Nystrom
Clarke (Vancouver Quadra)	Howie	Oberle
Cook	Jarvis	Ogle
Cooper	Jelinek	Orlikow
Corbett	Jewett (Miss)	Paproski
Crosby (Halifax West)	Keeper	Parker
Darling	Kempling	Patterson
Deans	Kilgour	Rae
de Jong	Kushner	Reid (St. Catharines)
Domm	Lambert	Riis
Ellis	Lawrence	Robinson (Burnaby)
Elzinga	Lewis	Roche
Epp	Lewycky	Rose
Fennell	MacDonald (Miss)	Sargeant
Fraser	MacKay	Schellenberger
Fretz	Malone	Scott (Hamilton-Wentworth)
Friesen	Manly	
Fulton	Mayer	
	Mazankowski	
	McCain	
	McCuish	

Messrs.

Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Motion No. 40 (Mr. Wilson) negatived.

Mr. Deputy Speaker: Is there unanimous consent that the recorded vote will apply to Motion No. 45 (Mr. Wilson)?

Some hon. Members: Agreed.

The House divided on Motion No. 45 (Mr. Wilson) which was negatived on the following division:

(*Division No. 94*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Motion No. 45 (Mr. Wilson) negatived.

Mr. Deputy Speaker: Is there unanimous consent that the recorded vote will apply to Motion No. 46 (Mr. Wilson)?

Some hon. Members: Agreed.

The House divided on Motion No. 46 (Mr. Wilson) which was negatived on the following division:

(*Division No. 95*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Motion No. 46 (Mr. Wilson) negatived.

Mr. Deputy Speaker: The next question is on Motion No. 52 (Mr. Ittinuar). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The House divided on Motion No. 52 (Mr. Ittinuar) which was negatived on the following division:

(*Division No. 96*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

● (2225)

Mr. Deputy Speaker: I declare the motion lost.

Motion No. 52 (Mr. Ittinuar) negatived.

Mr. Nielsen: If the Chair will now call Motion No. 57 and ask for unanimous consent to apply the vote taken on Motion No. 52 it will probably be forthcoming.

Mr. Deputy Speaker: Is there unanimous consent for the same vote to apply to Motion No. 57 as applied to Motion No. 52?

Some hon. Members: Agreed.

The House divided on Motion No. 57 (Mr. Fulton) which was negatived on the following division:

(*Division No. 97*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—103.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Motion No. 57 (Mr. Fulton) negatived.

Mr. Deputy Speaker: The question is on Motion No. 7 (Mr. Wilson).

The House divided on Motion No. 7 (Mr. Wilson) which was negatived on the following division:

(*Division No. 98*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (M^me^)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (M^me^)
Bégin (M^me^)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (M^lle^) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

● (2230)

Mr. Deputy Speaker: I declare the motion lost.

Motion No. 7 (Mr. Wilson) negatived.

● (2235)

Hon. Erik Nielsen (Yukon): Mr. Speaker, if the Chair were to call Motions Nos. 8, 9, 13, 21, 23, 25, 26, 27, 28 *seriatim* individually and ask for unanimous consent to have the vote just taken on Motion No. 7 applied thereto, it would be surprising if Your Honour were to discover any dissent.

The House divided on Motion No. 8 (Mr. Wilson) which was negatived on the following division:

(*Division No. 99*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)

Messrs.

Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 8 (Mr. Wilson) negatived.

The House divided on Motion No. 9 (Mr. Wilson) which was negatived on the following division:

(*Division No. 100*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 9 (Mr. Wilson) negatived.

The House divided on Motion No. 13 (Mr. Wilson) which was negatived on the following division:

(*Division No. 101*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan

Messrs.

Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 13 (Mr. Wilson) negatived.

The House divided on Motion No. 21 (Mr. Wilson) which was negatived on the following division:

(*Division No. 102*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Canada Oil and Gas Act

Motion No. 21 (Mr. Wilson) negatived.

The House divided on Motion No. 23 (Mr. Wilson) which was negatived on the following division:

(*Division No. 103*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 23 (Mr. Wilson) negatived.

The House divided on Motion No. 25 (Mr. Wilson) which was negatived on the following division:

(*Division No. 104*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong

Messrs.

Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 25 (Mr. Wilson) negatived.

The House divided on Motion No. 26 (Mr. Wilson) which was negatived on the following division:

(*Division No. 105*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro (Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 26 (Mr. Wilson) negatived.

The House divided on Motion No. 27 (Mr. Wilson) which was negatived on the following division:

(*Division No. 106*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crosby (Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain

Messrs.

McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro
(Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Roche
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde
(Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson
(Burnaby)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 27 (Mr. Wilson) negatived.

The House divided on Motion No. 28 (Mr. Wilson) which was negatived on the following division:

(*Division No. 107*)

YEAS

Messrs.

Andre
Baker
(Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Crosby
(Halifax West)
Darling
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
Lawrence
Lewis
MacDonald
(Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
Munro
(Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Roche
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—76.

NAYS

Messrs.

Allmand
Anguish
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova
Campbell
(LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Deans
De Bané
de Corneille
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gourde
(Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hopkins
Hovdebo
Hudecki
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Lefebvre
Lewycky
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Manly
Marceau
Massé
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Nystrom
Ogle
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Riis
Roberts
Robinson
(Burnaby)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Waddell
Watson
Weatherhead
Yanakis
Young—147.

Motion No. 28 (Mr. Wilson) negatived.

Mr. Deputy Speaker: The next question is on Motion No. 4.

The House divided on Motion No. 4 (Mr. Fulton), which was negatived on the following division:

(Division No. 108)

YEAS

Messrs.

Anguish	Jewett (Miss)	Parker
Benjamin	Keeper	Rae
Blackburn	Lewycky	Riis
Blaikie	Manly	Robinson (Burnaby)
Broadbent	Miller	Rose
Deans	Mitchell (Mrs.)	Sargeant
de Jong	Nystrom	Waddell
Fulton	Ogle	Young—27.
Heap	Orlikow	
Hovdebo		

NAYS

Messrs.

Andre	Corriveau	Gendron
Appolloni (Mrs.)	Côté (Mrs.)	Gilchrist
Axworthy	Cousineau	Gimaïel
Bachand	Crosby (Halifax West)	Gourde (Lévis)
Baker (Gander-Twillingate)	Cullen	Gray
Baker (Nepean-Carleton)	Cyr	Greenaway
Beatty	Darling	Guilbault
Beauchamp-Niquet (Mrs.)	Daudlin	Gurbin
Bégin (Miss)	De Bané	Gustafson
Berger	de Corneille	Halliday
Blais	Deniger	Hargrave
Blaker	Desmarais	Harquail
Blenkarn	Dingwall	Hawkes
Bloomfield	Dion	Hees
Bosley	Dionne (Chicoutimi)	Henderson
Bossy	Dionne (Northumberland-Miramichi)	Herbert
Bradley	Domm	Hervieux-Payette (Mrs.)
Breau	Dubois	Hopkins
Bujold	Dupont	Howie
Burghardt	Ellis	Hudecki
Bussières	Elzinga	Isabelle
Caccia	Epp	Jarvis
Campbell (Miss) (South West Nova)	Erola (Mrs.)	Jelinek
Campbell (LaSalle)	Ethier	Johnston
Chénier	Evans	Joyal
Chrétien	Fennell	Kaplan
Clark (Yellowhead)	Ferguson	Kelly
Clarke (Vancouver Quadra)	Fisher	Kempling
Collenette	Flis	Kilgour
Comtois	Foster	Killens (Mrs.)
Cook	Fox	Kushner
Cooper	Fraser	Lachance
Corbett	Fretz	Lajoie
Corbin	Friesen	Lalonde
	Frith	Lambert
	Gamble	Lamontagne
	Garant	Landers
	Gass	Lang
	Gauthier	Laniel
		Lapierre
		Lapointe (Charlevoix)
		Lapointe (Beauce)
		Lawrence
		LeBlanc
		Lefebvre
		Lewis
		Lonsdale
		MacBain
		MacDonald (Miss)
		MacEachen
		MacGuigan
		Mackasey
		MacKay
		MacLaren
		Malépart
		Malone
		Maltais
		Marceau
		Massé
		Mayer
		Mazankowski
		McCain
		McCauley
		McCuish
		McGrath
		McKenzie
		McKinnon
		McKnight
		McMillan
		McRae
		Munro (Esquimalt-Saanich)
		Munro (Hamilton East)
		Murta
		Nielsen
		Nowlan
		Oberle
		Ostiguy
		Ouellet
		Paproski
		Parent
		Patterson
		Pelletier
		Penner
		Pepin
		Peterson
		Pinard
		Portelance
		Prud'homme
		Regan
		Reid (St. Catharines)
		Roberts
		Robinson (Etobicoke-Lakeshore)
		Roche
		Rompkey
		Rossi
		Roy
		Savard
		Schellenberger
		Scott (Hamilton-Wentworth)
		Scott (Victoria-Haliburton)
		Shields
		Siddon
		Simmons
		Smith
		Stevens
		Stewart
		Tardif
		Taylor
		Tessier
		Thacker
		Tobin
		Tousignant
		Towers
		Turner
		Vankoughnet
		Veillette
		Watson
		Weatherhead
		Wenman
		Wilson
		Wise
		Wright
		Yanakis—196.

Motion No. 4 (Mr. Fulton) negatived.

● (2245)

Mr. Nielsen: Mr. Speaker, if the government is fortunate enough to avoid having its members continue to resist the legislation which they attempted to do prior to the bell, and if there are no maverick actions on that side, I suggest you call Motions Nos. 17, 22, 30, 31, 34, 41, 47, 48, 49, 51, 53, 54 and 56.

We might be fortunate enough to achieve unanimous consent that the vote which has just been taken on Motion No. 4 apply to each of those, if called *seriatim*.

[*Translation*]

Mr. Pinard: Mr. Speaker, we agree, of course. However, for the record, I shall enumerate again the motions mentioned by the hon. member. I believe he inadvertently omitted one, so I shall repeat the list: Nos. 10, 17, 22, 30, 31, 34, 41, 47, 48, 49, 51, 53, 54 and 56.

[*English*]

Mr. Deputy Speaker: Is the hon. member for Yukon in accord with the list?

Mr. Nielsen: Yes.

Mr. Deans: Mr. Speaker, I wanted to draw to your attention that the hon. member for Yukon had missed vote No. 10.

Mr. Deputy Speaker: The question is on Motion No. 10 in the name of the hon. member for Comox-Powell River (Mr. Skelly). Is there unanimous consent that the vote which applied to motion No. 4 shall also apply to Motion No. 10?

Some hon. Members: Agreed.

The House divided on Motion No. 10 (Mr. Skelly) which was negatived on the following division:

Canada Oil and Gas Act

(Division No. 109)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 10 (Mr. Skelly) negatived.

The House divided on Motion No. 17 (Mr. Waddell) which was negatived on the following division:

(Division No. 110)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain

Messrs.

McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 17 (Mr. Waddell) negatived.

The House divided on Motion No. 22 (Mr. Waddell) which was negatived on the following division:

(Division No. 111)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 22 (Mr. Waddell) negatived.

The House divided on Motion No. 30 (Mr. Waddell) which was negatived on the following division:

(Division No. 112)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)

Messrs.

Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 30 (Mr. Waddell) negatived.

The House divided on Motion No. 31 (Mr. Waddell) which was negatived on the following division:

(*Division No. 113*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 31 (Mr. Waddell) negatived.

The House divided on Motion No. 34 (Mr. Ittinuar) which was negatived on the following division:

(Division No. 114)

YEAS

Messrs.

Anguish, Benjamin, Blackburn, Blaikie, Broadbent, Deans, de Jong, Fulton, Heap, Hovdebo, Jewett (Miss), Keeper, Lewycky, Manly, Miller, Mitchell (Mrs.), Nystrom, Ogle, Orlikow, Parker, Rae, Riis, Robinson (Burnaby), Rose, Sargeant, Waddell, Young—27.

NAYS

Messrs.

Andre, Appolloni (Mrs.), Axworthy, Bachand, Baker (Gander-Twillingate), Baker (Nepean-Carleton), Beatty, Beauchamp-Niquet (Mrs.), Bégin (Miss), Berger, Blais, Blaker, Blenkarn, Bloomfield, Bosley, Bossy, Bradley, Breau, Bujold, Burghardt, Bussières, Caccia, Campbell (Miss) (South West Nova), Campbell (LaSalle), Chénier, Chrétien, Clark (Yellowhead), Clarke (Vancouver Quadra), Collenette, Comtois, Cook, Cooper, Corbett, Corbin, Corriveau, Côté (Mrs.), Cousineau, Crosby (Halifax West), Cullen, Cyr, Darling, Daudlin, De Bané, de Corneille, Deniger, Desmarais, Dingwall, Dion, Dionne (Chicoutimi), Dionne (Northumberland-Miramichi), Domm, Dubois, Dupont, Ellis, Elzinga, Epp, Erola (Mrs.), Ethier, Evans, Fennell, Ferguson, Fisher, Flis, Foster, Fox, Fraser, Fretz, Friesen, Frith, Gamble, Garant, Gass, Gauthier, Gendron, Gilchrist, Gimaïel, Gourde (Lévis), Gray, Greenaway, Guilbault, Gurbin, Gustafson, Halliday, Hargrave, Harquail, Hawkes, Hees, Henderson, Herbert, Hervieux-Payette (Mrs.), Hopkins, Howie, Hudecki, Isabelle, Jarvis, Jelinek, Johnston, Joyal, Kaplan, Kelly, Kempling, Kilgour, Killens (Mrs.), Kushner, Lachance, Lajoie, Lalonde, Lambert, Lamontagne, Landers, Lang, Laniel, Lapierre, Lapointe (Charlevoix), Lapointe (Beauce), Lawrence, LeBlanc, Lefebvre, Lewis, Lonsdale, MacBain, MacDonald (Miss), MacEachen, MacGuigan, Mackasey, MacKay, MacLaren, Malépart, Malone, Maltais, Marceau, Massé, Mayer, Mazankowski, McCain, McCauley, McCuish, McGrath, McKenzie, McKinnon, McKnight, McMillan, McRae, Munro (Esquimalt-Saanich), Munro (Hamilton East), Murta, Nielsen, Nowlan, Oberle, Ostiguy, Ouellet, Paproski, Parent, Patterson, Pelletier, Penner, Pepin, Peterson, Pinard, Portelance, Prud'homme, Regan, Reid (St. Catharines), Roberts, Robinson (Etobicoke-Lakeshore), Roche, Rompkey, Rossi, Roy, Savard, Schellenberger, Scott (Hamilton-Wentworth), Scott (Victoria-Haliburton), Shields, Siddon, Simmons, Smith, Stevens, Stewart, Tardif, Taylor, Tessier, Thacker, Tobin, Tousignant, Towers, Turner, Vankoughnet, Veillette, Watson, Weatherhead, Wenman, Wilson, Wise, Wright, Yanakis—196.

Motion No. 34 (Mr. Ittinuar) negatived.

The House divided on Motion No. 41 (Mr. Skelly) which was negatived on the following division:

(Division No. 115)

YEAS

Messrs.

Anguish, Benjamin, Blackburn, Blaikie, Broadbent, Deans, de Jong, Fulton, Heap, Hovdebo, Jewett (Miss), Keeper, Lewycky, Manly, Miller, Mitchell (Mrs.), Nystrom, Ogle, Orlikow, Parker, Rae, Riis, Robinson (Burnaby), Rose, Sargeant, Waddell, Young—27.

NAYS

Messrs.

Andre, Appolloni (Mrs.), Axworthy, Bachand, Baker (Gander-Twillingate), Baker (Nepean-Carleton), Beatty, Beauchamp-Niquet (Mrs.), Bégin (Miss), Berger, Blais, Blaker, Blenkarn, Bloomfield, Bosley, Bossy, Bradley, Breau, Bujold, Burghardt, Bussières, Caccia, Campbell (Miss) (South West Nova), Campbell (LaSalle), Chénier, Chrétien, Clark (Yellowhead), Clarke (Vancouver Quadra), Collenette, Comtois, Cook, Cooper, Corbett, Corbin, Corriveau, Côté (Mrs.), Cousineau, Crosby (Halifax West), Cullen, Cyr, Darling, Daudlin, De Bané, de Corneille, Deniger, Desmarais, Dingwall, Dion, Dionne (Chicoutimi), Dionne (Northumberland-Miramichi), Domm, Dubois, Dupont, Ellis, Elzinga, Epp, Erola (Mrs.), Ethier, Evans, Fennell, Ferguson, Fisher, Flis, Foster, Fox, Fraser, Fretz, Friesen, Frith, Gamble, Garant, Gass, Gauthier, Gendron, Gilchrist, Gimaïel, Gourde (Lévis), Gray, Greenaway, Guilbault, Gurbin, Gustafson, Halliday, Hargrave, Harquail, Hawkes, Hees, Henderson, Herbert, Hervieux-Payette (Mrs.), Hopkins, Howie, Hudecki, Isabelle, Jarvis, Jelinek, Johnston, Joyal, Kaplan, Kelly, Kempling, Kilgour, Killens (Mrs.), Kushner, Lachance, Lajoie, Lalonde, Lambert, Lamontagne, Landers, Lang, Laniel, Lapierre, Lapointe (Charlevoix), Lapointe (Beauce), Lawrence, LeBlanc, Lefebvre, Lewis, Lonsdale, MacBain, MacDonald (Miss), MacEachen, MacGuigan, Mackasey, MacKay, MacLaren, Malépart, Malone, Maltais, Marceau, Massé, Mayer, Mazankowski, McCain, McCauley, McCuish, McGrath, McKenzie, McKinnon, McKnight, McMillan, McRae, Munro (Esquimalt-Saanich)

Messrs.

Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 41 (Mr. Skelly) negatived.

The House divided on Motion No. 47 (Mr. Ittinuar) which was negatived on the following division:

(*Division No. 116*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 47 (Mr. Ittinuar) negatived.

The House divided on Motion No. 48 (Mr. Waddell) which was negatived on the following division:

(*Division No. 117*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané

Messrs.

de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde
(Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald
(Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Roberts
Robinson
(Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 48 (Mr. Waddell) negatived.

The House divided on Motion No. 49 (Mr. Ittinuar) which was negatived on the following division:

(*Division No. 118*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell
(Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson
(Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Baker
(Nepean-Carleton)
Beatty
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Chénier
Chrétien
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby
(Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde
(Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald
(Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Roberts
Robinson
(Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 49 (Mr. Ittinuar) negatived.

The House divided on Motion No. 51 (Mr. Fulton) which was negatived on the following division:

Canada Oil and Gas Act

(Division No. 119)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 51 (Mr. Fulton) negatived.

The House divided on Motion No. 53 (Mr. Ittinuar) which was negatived on the following division:

(Division No. 120)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé

Messrs.

Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 53 (Mr. Ittinuar) negatived.

The House divided on Motion No. 54 (Mr. Fulton) which was negatived on the following division:

(*Division No. 121*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 54 (Mr. Fulton) negatived.

The House divided on Motion No. 56 (Mr. Fulton) which was negatived on the following division:

(*Division No. 122*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Riis
Robinson (Burnaby)
Rose
Sargeant
Waddell
Young—27.

NAYS

Messrs.

Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois

Messrs.

Cook
Cooper
Corbett
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Dupont
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Howie
Hudecki
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lonsdale
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
Malépart
Malone
Maltais
Marceau
Massé
Mayer
Mazankowski
McCain
McCauley
McCuish
McGrath
McKenzie
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Nielsen
Nowlan
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Roy
Savard
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Wilson
Wise
Wright
Yanakis—196.

Motion No. 56 (Mr. Fulton) negatived.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I would have liked to have voted for Motions Nos. 43 and 53 but did not wish to vote for Motion No. 4. Consequently I abstained on Motion No. 4. I did not refuse unanimous consent on those two motions because, considering the vote on Motion No. 4, I thought it was a waste of time.

Hon. Erik Nielsen (Yukon): Mr. Speaker, for the sake of order, to complete this evening's record, I want to state for the record that I believe there is agreement that the votes taken this evening by unanimous consent will be treated in *Hansard* and in the other records of the House as though they had been standing votes.

Hon. Yvon Pinard (President of Privy Council): Yes, Mr. Speaker. That will increase substantially the batting average of those members who are present this evening.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, be concurred in.

Motion agreed to.

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

Some hon. Members: Agreed.

Mr. Deputy Speaker: Because of the hour, the adjournment debate usually scheduled will not take place.

It being 10.53 p.m. this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 10.53 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 6, 1981

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

AUTOMOTIVE INDUSTRY

DOWNTURN IN SALES OF NORTH AMERICAN CARS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Canadian auto industry has been hit hard by high interest rates and low priced imports. One third of Ontario auto dealers could be out of business in three months if action is not taken to halt the downturn in the sales of North American cars. Therefore I move, seconded by the hon. member for York-Peel (Mr. Stevens):

That this House require the Minister of Industry, Trade and Commerce to reassess current import levels and with his colleague, the Minister of Finance, take positive measures to reduce the crippling high interest rates that are now destroying the automobile industry, the dealers, and the jobs that go with them.

Mr. Deputy Speaker: Is there unanimous consent of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

UNEMPLOYMENT AMONG NATIVE PEOPLES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Mr. Speaker, the native people of the country are in desperate trouble. Most of them are out of jobs. Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government move immediately to increase the economic development budget of the Department of Indian Affairs and Northern Development so that this desperate unemployment among Canada's native peoples may be attacked.

Mr. Deputy Speaker: Does the hon. member have leave to present the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN PACIFIC RAILWAYS

ABANDONMENT OF KIRKPATRICK-CARBON RAIL LINE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Mr. Speaker, whereas the western division of the Canadian Transport Commission ordered the abandonment of the Kirkpatrick-Carbon rail line of the CPR which carried more than half a million bushels of grain last year and served three elevators and scores of farmers and businesses, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House urges the Minister of Transport to use the authority in Section 64(1) of the National Transportation Act and order this rail line to continue, thus avoiding the extra costs of production placed on farmers and the unemployment created through the abandonment.

Mr. Deputy Speaker: Does the hon. member have unanimous consent to present the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EDUCATION

FUNDING FOR POST-SECONDARY EDUCATION—MOTION UNDER S.O. 43

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, whereas Statistics Canada data for October shows that once again young Canadians were the group hardest hit by job losses, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That the members of the House individually wish a curse on the cabinet for its cold and callous treatment of young Canadians, and that the cabinet at least announce today that it will not cut any support for post-secondary education.

Mr. Deputy Speaker: Does the hon. member have unanimous consent to present the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

ABORIGINAL RIGHTS—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I ask the support of hon. members on all sides of the House on a matter of urgent and pressing necessity. In view of

the fact that all parties gave unanimous support last January for the inclusion of a clause in the Constitution recognizing and affirming aboriginal and treaty rights of the Indian, Inuit and Métis people, and in view of the fact that no aboriginal group in Canada has opposed Clause 34 or asked for its withdrawal, and further, that the only mention of aboriginal and treaty rights during this week's first ministers' conference was in support of those rights by the government of Saskatchewan, I move, seconded by the hon. member for Skeena (Mr. Fulton):

• (1110)

That this House affirm its continued support for the unanimous decision of January 30 to entrench the recognition and affirmation of aboriginal and treaty rights.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Does the hon. member have the unanimous consent of the House to present the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: Mr. Smith said no.

Mr. Deputy Speaker: It is moved by Mr. Manly and seconded by Mr. Fulton—shall I dispense?

Some hon. Members: No.

Mr. Deputy Speaker: In view of the fact all parties gave unanimous support last January for the inclusion of a clause in the Constitution recognizing and affirming aboriginal and treaty rights of the Indian, Inuit and Native people, and in view of the fact that no aboriginal group in Canada has opposed Clause 34 or asked for its withdrawal, and further, that the only mention of aboriginal and treaty rights during this week's first ministers' conference was in support of these rights by the government of Saskatchewan, it is moved by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly), and seconded by the hon. member for Skeena (Mr. Fulton):

That this House affirm its continued support for the unanimous decision of January 30 to entrench the recognition and affirmation of aboriginal and treaty rights.

Does the House give unanimous consent to adopt this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Smith: Mr. Speaker, I wish to assure the Chair that I said no to that motion when it was called.

[*Translation*]

APPEAL TO OPPOSITION MEMBERS TO GIVE SUPPORT—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas it was clearly demontrated in yesterday's historical agreement that the great Liberal principles of our government and the prophetic vision of our Prime Minister, for which he has always fought, met the wishes and expectations of all Canadians; whereas it was also clear that the Premier of Quebec attended this conference with the sole purpose of scuttling it by committing what I would call political hijacking to serve separatist ends, and since our government's perceptiveness was once more clearly established, I therefore move, seconded by the hon. member for Bourassa (Mr. Rossi):

That those few right-minded members opposite who would have liked to voice very strongly their approval for our draft resolution now cross the floor of the House and join us in the continuation and implementation of fair and equitable policies for all Canadians.

Mr. Deputy Speaker: Order, please. This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

FINANCE

TAX INCENTIVE FOR FILM INDUSTRY—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Mr. Speaker, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House urge the Minister of Finance not to abandon the existing incentive for investment in Canadian feature films, an action the minister is widely reported to be contemplating and which, if implemented, would only add the film industry to the list of those industries already destroyed by this government.

Mr. Deputy Speaker: Does the hon. member have unanimous consent to present this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

PROTECTION OF HABITAT OF ENDANGERED SPECIES—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and

pressing necessity. In view of the fact that a number of extremely plentiful species of wildlife have become extinct in Canada, and since, in fact, the planet is losing life forms at a rate of one species per day now which will accelerate to one species per hour by 1989 if mankind does not deal seriously with pollution and habitat protection, I move, seconded by the hon. member for Hillsborough (Mr. McMillan), and I believe with the support of the government:

That this House urges the Minister of the Environment to move expeditiously with a wildlife policy for Canada which would include a mandate to protect the habitat of endangered species and, in co-operation with the provinces and territories, set aside world community ecological reserves and wildlife parks to preserve our precious global heritage.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to present the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

OFFICIAL PUBLICATIONS

DELAY IN DELIVERY

Mr. Deputy Speaker: I would like to draw to the attention of the House that due to the late proceedings last night and the rather extensive report of *Hansard* and *Votes and Proceedings,* these publications have been delayed and are not yet available.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS

Hon. David Crombie (Rosedale): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the minister I hope is aware, this morning Statistics Canada established the jobless rate at 8.3 per cent of the work force. That is 989,000 Canadians on the street and looking for work. In any language that is a staggering figure, and should be unacceptable to the government. Clearly it is the goverment's incompetence and lack of initiative which are responsible for this situation. When is the minister going to accept his responsibility for creating employment in this country and put those people back to work?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been working actively to deal with the situation. I remind my hon. friend of major initiatives such as the 50 per cent increase in the funding for the Defence Industry Productivity Program, a major support program for the aerospace and electronics industry. I remind my hon. friend of initiatives under the special electronics program, individual projects such as support for de Havilland, in Toronto, and Pratt & Whitney in Montreal. There have been major announcements and major commitments and initiatives under my jurisdiction and that of other ministers. We have been working actively to create jobs and to stem the effects of economic situations in our major export markets. We will be continuing these initiatives. We are very much aware of the situation and of our responsibilities.

DROP IN JOB CREATION

Hon. David Crombie (Rosedale): Mr. Speaker, there may be major announcements, but they are certainly not major realities. The minister must be aware that the amount of unemployment has not only gone up but job creation has gone down. Last month employment creation by this government went down by 68,000 jobs. Statistics this morning show that job creation is down again for the second straight month—in manufacturing 22,000 jobs lost, in primary industries 16,000 jobs lost in one month alone. Surely the government is not proud of that record. This country is in a recession. Ordinary people are being hurt. They want to know in practical terms what the government is going to do about it.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, there has been a very strong and positive record of job creation for most of the period since this government took office, except for the most recent months. We are working—

Mr. Clark: No one else is.

Mr. Gray: —to continue these efforts of job creation. My hon. friend has completely overlooked the fact of the very great degree of weakness and the high unemployment in our major export markets. The European community and the United States, for example, are areas that are bound to have an impact on job creation and industrial activity in our country. We are working to strengthen our export efforts and to strengthen job creation and industrial development in our own country. However, we cannot totally escape the impact of policies of other countries in their own markets and therefore on our industries. We are certainly conscious of these concerns and responsibilities, and are working to put in place other initiatives to help deal further with the impact of these matters on our workers.

REQUEST FOR GOVERNMENT ACTION

Hon. David Crombie (Rosedale): Mr. Speaker, I am sure the minister is aware that the statistics I have used this morning take us only to October 17. In the past three weeks we have had plant closings and lay-offs, putting thousands more people out of work. I can cite Du Pont, Alcan, Admiral and many small manufacturing companies across the country. Those people are no longer interested in the minister's

announcements or in blaming other people. They want to know what the minister and the government are waiting for. When are they going to do something of a practical nature that will help them out?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, we have certainly not been waiting. We have been taking concrete and positive action that has had a very beneficial effect on job creation and strengthening the industrial base of the country.

● (1120)

Mr. Epp: Where?

Mr. Gray: We intend to take further initiatives. I think that my hon. friends should respond with a very positive note to the budget of the Minister of Finance, which is only a few days away.

Mr. Stevens: What is in it?

Mr. Gray: I look forward to announcements connected with the budget that will help add to the thrust of job creation and industrial development which has been very much a part of this government's action and responsibility over the past 18 months.

* * *

INDUSTRY

EFFECT OF HIGH INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is the minister in this House of Commons who will say anything but will do nothing.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Is it the minister's view that his high interest rate policy is the best policy to combat inflation? Is the minister aware that the high interest rate policy is resulting in the fact that workers at Canadian Admiral will no longer make stoves, refrigerators, washers and dryers, and that Canadians are better out on the streets to fight inflation? Is that his view?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, the bank rate declined by more than half a point yesterday. At present, the bank rate is at the lowest level it has been for the past six months.

Mr. Clark: Since you promised to resign.

Mr. Gray: My hon. friend did not mention that in his question, nor did the other spokesman for the official opposition. Therefore there is a very positive movement in the area of interest rates, and I look forward to further progress in this area as well.

Mr. Clark: When are you going to resign?

Mr. Gray: My hon. friend conveniently forgot to mention these initiatives and activities.

CANADIAN ADMIRAL CORPORATION IN RECEIVERSHIP

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, is the minister aware that the receiver at Canadian Admiral is presently operating a mass quick rapid disposal of the assets of the company? Therefore, unless something is done almost immediately there will be no appliance industry run by Admiral or by any other person who might be able to take over that company. What action does the minister propose to take right now to make sure that the receiver operating on behalf of the bank does not totally disperse the assets of the company and cause a permanent loss of jobs?

Mr. MacKay: Resign, Herb.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been in touch with various companies that are developing proposals which could well lead to the resumption of operations at Canadian Admiral. We intend to continue those efforts.

IMPORTATION OF FOREIGN MANUFACTURED APPLIANCES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, is the minister aware also that one of the problems at Canadian Admiral and at other appliance dealers is the fact that the Japanese and others are allowed to dump things such as microwave ovens on the Canadian market? What action does the minister propose to take to stop that dumping? Does the minister intend to have the microwave business and the other appliance businesses completely taken over by foreigners in the same way that he allowed the television industry to be taken over by foreigners? Is that his policy? Is that the way he wants to promote trade?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, we have laws in this country to deal with dumping. If there is a formal accusation, my colleague, the Minister of National Revenue, will respond very quickly and very effectively.

* * *

THE ECONOMY

GOVERNMENT POLICY ON INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in light of the previous questions I would like to direct my question to the Prime Minister. We have noticed over the last few weeks that there are 88,000 fewer jobs available in Canada. Today we see again that over the last month we have had an increase in the unemployment figures. When this session first began the Minister of Finance said that this high unemployment figure was an aberration, that perhaps it was a statistical error. Does the Prime Minister recognize that his

government's policy of maintaining high interest rates to stem spending in Canada is the major cause for these high unemployment figures?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I think the hon. member is confusing certain issues. By focusing only on the recent increase in unemployment rates he forgets to mention the fact that between October 1980 and October 1981, 170,000 jobs were created in Canada. He also forgets that high interest rates are directly linked to the high rate of inflation we are experiencing, and that it is not the government's task to concentrate on a single issue and on short-term requirements. Its task is to consider all economic indicators and to work towards improving the general state of the economy.

* * *

[*English*]

EMPLOYMENT

SOCIAL COSTS OF UNEMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, let us recognize that when the government talks about the jobs that have been created many of these jobs are recycled ones advertised through Manpower. They are not really new jobs being added to the economy.

• (1125)

My next question is aimed toward the minister responsible for unemployment—excuse me, employment. It seems to me that the government's policy of job creation as recently announced is the shifting of the unemployed from certain parts of Canada toward the megaprojects. Surely this will result in the uprooting and breakdown of families, resulting indirectly in family violence, wife battering, child abuse, drug and alcohol abuse, and the like.

Mr. Deputy Speaker: The hon. member should put his question on a supplementary.

Mr. Riis: Mr. Speaker, is the minister prepared to agree that this high unemployment results directly in these incredible social costs that will be with us for many decades?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, the problem of unemployment is never a pleasant one and this government is very concerned about the measures we can introduce to try to alleviate it and help those who face this situation.

I would like to point out to the House that in the past year, just through the initiatives of our department alone, we have added something like 80,000 jobs which are concentrated particularly in those regions of the country that experience chronic unemployment.

As far as the movement of Canadians is concerned, that is something that has been part and parcel of the history of this country. Every year some one half million Canadians move to take jobs in other areas. That is really part of the labour market. What we are trying to do is develop, through recommendations of the parliamentary task force and our own task forces, a whole new set of labour and training programs that will respond to the new labour demands of the 1980s. It is the real commitment of this government to address the issue of human resources and the labour market so we can address the kind of problems the hon. member points out as being a consequence of unemployment, and I believe that between the budget and the kinds of programs we are initiating we will be able to provide this country with a very relevant, very useful, and effective labour market strategy in the years to come.

* * *

FORESTRY

LAY-OFFS IN BRITISH COLUMBIA FOREST INDUSTRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my final question is directed to the Minister of Industry, Trade and Commerce. Recognizing that he has taken initiatives on a number of occasions in an effort to assist certain sectors of the country and the economy, will he outline what he plans to do to provide assistance to the ailing British Columbia forest industry that is now experiencing lay-offs on a daily basis, with an unemployment rate for woodworkers in excess of 20 per cent?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, we have a major program in place to assist the British Columbia forest industry, to develop additional markets in the world aside from the United States. This has had a major, positive impact. As I said in the House the other day, over the past few years it has brought about an increase in exports to other parts of the world from $200 million to close to $1 billion. We are continuing these efforts to assist the industry and to expand its export sales and help all its needs in terms of maintenance of employment in the British Columbia industry.

We are also working with the Department of Employment and Immigration on programs in terms of assisting laid off workers, and we look forward to further efforts to strengthen the base of that industry, despite the decline in major export markets, particularly in the United States, something that unfortunately is not within our direct control.

* * *

VIA RAIL

EFFECT OF CUTBACKS ON TOURIST INDUSTRY

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is for the minister responsible for real employ-

ment, that is not unemployment, the Minister of Industry, Trade and Commerce.

The cutbacks in VIA Rail service will cost the Canadian tourist industry at least $100 million in lost business, leading to many bankruptcies and unemployment for thousands of people, including the loss of more than 3,000 tourism-related jobs in western Canada alone because the government is turning away some 30,000 tourists from Japan and other countries.

When his seatmate, the Minister of Transport, decided to dismantle VIA Rail, was the Minister of Industry, Trade and Commerce requested to provide a remedy for the devastating impact this decision would have on the tourist industry and, if so, what remedy does he have? What consolation does he have to offer today to these thousands of newly unemployed Canadians?

● (1130)

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, it is relatively easy to answer that question. Let us take Jasper as an illustration of the situation described by my hon. friend. Last year there were two million visitors to Jasper. The highest estimate of the number of people who came to Jasper by train is provided by his own PC report which says that 100,000 people came by train. That is 5 per cent of the total.

Now, travellers coming from Edmonton will continue to come to Jasper by train. That is a good percentage of the total. People travelling from Vancouver have a possibility now, and I will give an illustration of that, of coming by a combination of trains and buses. For example, from Vancouver—

Mr. Clark: They will take the bus over from Tokyo.

Mr. Pepin: —they can come through the B.C. Railway in Via Tours. A number of them will be coming in that way.

The proof in the pudding is that at the moment VIA informs me that they have a hard time finding the necessary accommodation in Jasper for the number of tourists who will be coming to the area next summer. If that is not a true illustration of the exaggeration put in the question, I do not know what can be.

IMPACT ON ATLANTIC PROVINCES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I have a supplementary to the question of my colleague. Will the Minister of Industry, Trade and Commerce devote some of his work to persuade the cabinet that the cancellation of the VIA services in the maritime provinces will not only create direct unemployment but will create a negative impact upon the tourist industry and upon all tourist-related industries? Will he try to persuade the cabinet and the minister to avoid criticism of his government for a further decline in business in the maritime provinces?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not accept the premise and preamble to my hon. friend's question. We are putting major projects in place which are directly aimed at job creation in the Atlantic provinces. For example, there is our recent announcement of support for the Saint John Shipbuilding and Drydock Company and the recent Mitel project. Both of these are in New Brunswick. There is also the Ocean Industries program in Nova Scotia. All of these efforts are intended to and will create hundreds, in fact thousands of jobs in the Atlantic provinces.

I think this is a very positive way to build on the strength of that area. This is something we are doing and we intend very much to continue to do.

* * *

THE CONSTITUTION

PROVISION RESPECTING WOMEN'S RIGHTS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the minister responsible for the status of women my question is for the Prime Minister. As the Prime Minister knows, Clause 28 of the constitutional resolution is a paramountcy clause outside the charter. I remind him that Clause 28 is the one saying

> Notwithstanding anything in this Charter, the rights and freedoms referred to in it are guaranteed equally to male and female persons.

What I would like to ask the Prime Minister is if he can tell the House whether Clause 28 will continue to have paramountcy. That is, will it override any attempts made to deny equality to women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can only answer that my impression is that the clause would continue. I have not been involved in the drafting which went on between provincial and federal officials yesterday afternoon and, I believe, during the night as well.

I cannot answer firmly but I want to tell the hon. member—and this applies also to the Standing Order 43 motion put by the member for Malahat-Cowichan-The Islands—is that we took the draft presented to us by the seven premiers. They had made a lot of deletions from our original draft which is before the House. One of those deletions was precisely the clause concerning aboriginal rights. They are the ones who deleted it. If there was any deletion of the clause that concerns the hon. member—

An hon. Member: You agreed to it.

Mr. Trudeau: I understand. I agreed to a lot of things that were not my first choice, yesterday. That must be understood. I was looking for a consensus, and I got a consensus.

Some hon. Members: Hear, hear!

Mr. Trudeau: When the member is finished shaking his fist he can realize that I sought a consensus on the basis of a series of deletions to our charter, the best charter in the world which I believe some of the members over there supported. I accepted a consensus put to me by seven premiers. There were some

deletions, and aboriginal rights was one of them. Maybe the other clause was another. I am not sure. I will have to check that, and that is why I say I will see what was done on the drafting overnight.

I cannot conceive how the member from Malahat-Cowichan-The Islands could come out with an untruth as enormous as the one he did when he said that Saskatchewan was supporting aboriginal rights and somehow we were not. It is Saskatchewan and the other six that put to us a draft without aboriginal rights. It is in the discussion that ensued that I said I found that difficult to accept, but if they were facing me with this draft could we at least have a federal-provincial conference agreed where we would try to see what the native people agreed to among themselves, assuming they can agree among themselves, and that is far from certain, but I said let us at least give them a chance to meet with us. That is how it happened.

Some hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER QUEBEC PRESENTED ALTERNATIVE FORMULA CONCERNING MOBILITY OF LABOUR

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, my question is also directed to the Prime Minister. Considering the agreement on mobility rights signed yesterday by nine first ministers, I should like to know, with respect to the agreement the government of Quebec refused to sign, whether, when the Prime Minister of Canada asked the Premier of Quebec if he had another formula to suggest, the latter produced a formula and made a counterproposal to the other first ministers and to the Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe it is also important to answer this question, because there are a number of myths being created about yesterday's meeting. The answer to the hon. member's question is very straightforward. The Premier of Quebec objected to the mobility clause. I told him, "Well, I understand your having some reservations, since Newfoundland had some as well. Newfoundland negotiated some additions to the clause, which we accepted. Do you have anything you would like to add to the clause, Mr. Premier?" He did not and just grumbled about the clause. I asked him to let us know in a matter of hours or days about any other wording that would be satisfactory to him and that we could consider and discuss with the other provinces, if necessary. We have not heard from the Quebec Premier about this matter or about the language question or the other issues on which he is in disagreement, Mr. Speaker. That is the situation for the time being.

[*English*]

INDUSTRY

MASSEY FERGUSON VOLUME DISCOUNTS

Hon. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. With the help of the Canadian taxpayers the government advanced hundreds of millions of dollars to Massey-Ferguson to maintain that company's operations and the jobs involved. That company turned around and gave dealers volume discounts to sell products. They have done that. The company is now withholding volume discounts. Is the minister willing to allow Massey-Ferguson to continue operations and yet allow our dealers in our small communities to go under this winter?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, first of all the government did not advance millions of dollars to Massey Ferguson. It guaranteed the final portion of the equity refinancing carried out by the private sector. This was done pursuant to specific terms and conditions in agreement between ourselves, Massey-Ferguson, and the Ontario government.

I will be very happy to look into what my hon. friend has said and see whether or not it conflicts with the terms of the agreement. I should point out to him that, without our efforts to enable Massey-Ferguson to continue in a new and restructured and more viable manner, there would be no basis for those dealers or for the thousands of workers for Massey-Ferguson, and the thousands more in supplier plants across the country. Let us not forget that the initiative of the federal government has enabled that company—

Mr. Epp: What are you going to do about the dealers?

Mr. Gray: —to continue to operate, to continue the opportunities for the dealers. I intend to look into the situation and see if it conflicts in any way with the agreement we have entered into with the company.

* * *

FISHERIES

ACCESS FOR CANADIAN GROUNDFISH TO EUROPEAN MARKET

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The minister will know that Statistics Canada today reported 2,000 jobs disappeared in Newfoundland last month, and 15,000 jobs since last May.

• (1140)

Fifteen fish plants closed down in Newfoundland last summer resulting in a loss of 3,600 jobs. All but three of these plants remain closed. All the minister does is identify the problem. We know what the problem is. The problem is a softening of the United States market and an overprocessing capacity.

The Minister of Fisheries and Oceans has a clear and direct responsibility here. What is he doing to try to gain access for Canadian groundfish to the European market? Without that market the minister knows the situation will remain disastrous.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member, who knows these things very well, knows that the unemployment figures he talks about in the fisheries area result from two problems. One is that the inshore fishery, for reasons which have nothing to do with markets but have to do with water temperatures and biology, was not successful last summer. It is a cyclical problem and many small plants did not have sufficient supplies to keep operating their normal season.

The second problem, which is a problem of increased inventories, especially on the part of large companies which have large offshore vessels, is one which is somewhat related to interest rates and somewhat related to the slowness of the United States market. To the suggestion the hon. member makes I will ask him a question in return.

Some hon. Members: Order.

Mr. LeBlanc: When the time comes for us to ratify an agreement with the European Common Market, which agreement means that some fish may be caught in the Canadian zone in exchange for markets, will he support me?

* * *

INDUSTRY

REQUEST FOR MEASURES TO HALT LAY-OFFS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the riding of Parry Sound-Muskoka there have been a great many lay-offs, as there have been in many others, and my question is directed to the Minister of Industry, Trade and Commerce.

In my home village of Burks Falls in my riding one third of the employees of Thompson-Heyland, a lumber firm, have been laid off because of poor lumber sales which are, of course, directly attributable to high interest rates. In light of this and numerous other industry cutbacks and closures which have thrown hundreds of thousands of Canadians out onto the streets I wonder if the minister, who is supposed to be the super salesman for Canada, could tell this House what he plans to do to stem this dangerous tide of unemployment and get industry and the economy rolling again. Let us hope he will tell me this will be dealt with in the budget, and let him make damned sure it is.

Some hon. Members: Oh, oh!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I hope you will agree that the significant drop in the Bank of Canada rate yesterday, a decline of 59 basis points to 17.62 per cent, is a step in the right direction, especially since this Bank of Canada rate is now at its lowest level in some six months.

Mr. Andre: Hurrah!

Mr. Epp: What a laugh.

Mr. Gray: The decline in the economy of our major market for lumber, the United States, is obviously having an impact and, as I said the other day, I hope my hon. friend will not continue pressing for United States and United Kingdom type economic policies to be fully applied in this country. I am glad he confirms that we are looking forward to a budget with a very positive impact on the economy in a few days.

* * *

STATISTICS CANADA

LACK OF UNEMPLOYMENT FIGURES FOR INDIAN PEOPLE

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is directed to the minister who replies for Statistics Canada, the Minister of Supply and Services. Today, as unemployment statistics are released, the government cannot tell this House how many Indian people are unemployed. Can the minister state why he has not asked Statistics Canada to bring forward this statistic? Is it because it might be so horrendous that it would be embarrassing?

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, the hon. gentleman knows that the figures that are tabulated by Statistics Canada do not include populations on Indian reserves. That has been justified in the past because of statistical principles which are employed in the compilation of the statistics that are published today.

Mr. Nielsen: Are they any the less people?

Mr. Blais: The Labour Force Survey cannot take into account the special conditions which affect Indians. As a result of that I have asked my officials to review the information that is available from Indian reserves and the Indian population in order to be able to provide supplementary information which would be of assistance to the government in its policy decisions.

* * *

AGRICULTURE

ENVIRONMENT CANADA PUBLICATION DEALING WITH MARGINAL LANDS

Mr. Bruce Lonsdale (Timiskaming): Mr. Speaker, my question is for the Minister of the Environment. The minister will be aware that the lands directorate of his department has recently published a document entitled "The Agricultural Use of Marginal Lands: A Review and Bibliography—Working Paper No. 13". Reports in the media concerning this document have caused a great deal of consternation in the agricul-

tural community in my riding of Timiskaming and, indeed, in northern Ontario.

Could the minister inform the House as to the purpose and nature of this document and whether it is meant to be a statement of government intentions toward the marginal lands, or meant only to assist in preparing policies and programs to expand the agricultural development of these regions?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, I thank the hon. member for his question. The document to which he refers is not a policy document. It is a review of available material, and a bibliography document.

The Government of Canada issued, in November, 1980, its land use policy. I will be happy to send a copy of it to my hon. friend. The document to which he refers is simply meant to inform the public further, and more studies will be done by the government to help elaborate a future policy document.

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FORESTRY

MARITIME FORESTRY RESEARCH COMPLEX AT UNIVERSITY OF NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is directed to the Minister of the Environment. With the alarming increase in unemployment in the Atlantic provinces, the highest in the nation, and the near collapse of the lumber industry which provides a large number of jobs, when will the minister announce the decision of his government to participate in the maritime forestry complex at the University of New Brunswick and thus provide a vital window on badly needed research for the whole forest industry?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, I think the hon. member is aware, and I hope other members of the House are aware, that the federal government recently issued its discussion paper on forest policy, giving in very clear terms the direction we believe the industry should take. I hope fairly soon to be able to make some further announcements about how we will achieve the objective we have there described.

The specific question to which the hon. member refers relating to the maritime forestry centre is one which we have under very active consideration. Discussions have been held with the provincial government and also with the Members of Parliament who represent New Brunswick in the House of Commons, and I expect within a fairly short time—I cannot give a specific date—to be able to make some announcement about whether the federal government will be participating and, if we do, to what degree we will be participating.

GRAIN

PROVISION OF HOPPER CARS IN 1982

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. Could the minister confirm the public statement made by his colleague in the other place, the Minister of State for the Canadian Wheat Board, on September 28, that he remains confident that the cabinet will be approving an order in the next few days for 1,000 to 1,500 more hopper cars for delivery next year? Could the minister also tell us whether the elusive newly oil-rich western development fund will be the source of the money for these purchases?

Hon Jean-Luc Pepin (Minister of Transport): Mr. Speaker, in western transportation there are now three problems the government must address. The first one is branch line rehabilitation, and I have already addressed it in a way my hon. friend is familiar with by adding $45 million in the next three years to what was already being done for branch line rehabilitation.

The next problem we have to tackle is the necessity for hopper cars. The third one is the general capacity of the main line. There is no doubt we will address the latter two, the question being only whether we should address them together or separately.

The need for hopper cars is recognized. I have received the views of the transport co-ordinator, Mr. Radke, on this subject. A decision will be made soon. It is just a matter of deciding in what context, either singling the one matter out or putting it together with our consideration of the main line strategy.

* * *

REGIONAL DEVELOPMENT

DENIAL OF GRANT FOR OIL SEED CRUSHING PLANT AT MELFORT, SASK.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister who answers for DREE. Cargill Grain made an application to the minister's department for a grant for the construction of an oil seed crushing plant at Melfort. He apparently denied Cargill Grain this grant; this in a province where the population has dropped under our socialist government to the point where we have less population today than we had in the thirties. Could the minister indicate why Cargill Grain was denied this grant, which would have provided employment on a permanent basis, particularly now when there are people in the wood industry who are unemployed?

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, obviously I will check immediately—

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, I received—

Some hon. Members: Oh, oh!

● (1150)

Mr. De Bané: Concerning the application by Cargill regarding a grant, the department has done a thorough assessment of all the factors. Furthermore, I have listened to all the arguments that have been put to me in support of giving a grant. I would be very happy to send my hon. friend a letter expressing all the arguments about why we have come to the conclusion that public assistance for this investment is not absolutely essential.

* * *

SHIPBUILDING

PLACEMENT OF ORDERS WITH OVERSEAS YARDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, $700 million worth of Canadian shipbuilding contracts were let to shipyards overseas, to the detriment of Canadian shipyards and jobs in Canada. Will the Minister of Industry, Trade and Commerce clarify his confusing answers of earlier this week with respect to a policy to be generated through consultation with the shipbuilding industry, or will the minister continue his current policy resulting in job losses to Canadians?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I think I gave quite a straightforward answer the other day when I said that we were developing a new policy for the shipbuilding industry and that we were doing it on the basis of consultation with the shipbuilding industry, the workers in the industry, and the users and potential users of Canadian ships and equipment built in our shipyards. This consultation by a senior interdepartmental working group is almost completed. We anticipate being in a position to have discussions in cabinet before too long based on the results of this consultation.

In the meantime, we have been moving ahead with programs to strengthen our industry. At a ceremony in British Columbia the other day I announced major support for a new drydock for Burrard Yarrows Corporation which would involve some 400 jobs. A few days later in Saint John, New Brunswick, I announced the expansion of a drydock at Saint John Shipbuilding, with support by the federal government of some $12 million. This will also create there some four to five hundred jobs.

These are two initiatives we are taking in this area to strengthen this important industry, along with the putting in place of our program for assuring Canadian workers and Canadian companies of a full, fair and competitive basis with regard to the opportunities in the megaprojects offshore and in the high Arctic. This in itself is a major stimulus, a major source of job creation in the shipbuilding industry and in every industry across Canada. My hon. friends asked about what efforts we are making to create jobs in this country. This program alone is the source and will be the source of thousands of jobs for Canadian workers.

Some hon. Members: Hear, hear!

Mr. Gray: What a contrast with the inaction and failure of the opposition.

Some hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

REQUEST THAT STATISTICS INCLUDE UNEMPLOYMENT AMONG INDIANS

Mr. Jack Shields (Athabasca): Mr. Speaker, there exists a desperate situation for the native people in Canada in high unemployment, with record unemployment reaching, in some cases in bands in my area, such as Bigstone, 90 per cent unemployment, the Cold Lake band 85 per cent unemployment, Fort Mackay band 95 per cent unemployment, and Fort Chip band 80 per cent unemployment. My question is directed to the Minister of Indian Affairs and Northern Development. Will the minister demand from his colleague, the Minister of Supply and Services, that Indian people be included in unemployment statistics, and will the minister make special efforts to see that this problem is addressed?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall certainly be pleased to speak with my colleague, the Minister of Supply and Services. I think the hon. member may well be aware that we have had additional new funds in millions of dollars directed across Canada, a good portion of which has gone into Alberta. Money has been spent on an impact study during the course of this summer, with additional allocations to meet economic development, and moneys to create jobs for the Indian people, with particular emphasis in northern Alberta. All of this has been done in the last couple of months. It is certainly a constructive move in the right direction.

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THE ECONOMY

MINISTER'S VIEWS ON INTEREST RATE LEVELS

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. On October 30, 1979, when interest rates were some 13 per cent the minister told the Standing Committee on Finance, Trade and Economic Affairs the following—and I want you to listen to this, Sir, because you said it—and I quote:

I want to point out—

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please. The hon. member's remarks should be addressed to the Chair.

Mr. Nielsen: Why did you allow that then?

Some hon. Members: Oh, oh!

Mr. Jelinek: The minister said, and I quote:

> I want to point out . . . that . . . high interest rate policy would slow down the economy: it will mean the loss of thousands of jobs; it will mean increases in the cost of living . . . it will put housing beyond the reach of most middle and lower-income Canadians. It will hurt small business . . . it will hurt farmers . . .

And it will add, therefore, to the cost of food.

Now that interest rates are some 7 per cent higher than at that time, can the minister tell this House whether or not his views today are the same as they were in 1979? Do not give us this boloney that interest rates now went temporarily down by half a percentage point.

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I think we are all concerned about high interest rates. I shall repeat to my hon. friend and to this House that we have had a very positive movement of interest rates over the past several weeks. They are now lower than they have been at any time in the past six months. I think we all look forward to this progress continuing.

My hon. friend has not mentioned anything about the impact of interest rates in the U.S. market, the major source of our Canadian exports, especially the auto industry. The hon. member professes to be interested in the auto industry and yet he supports the kind of policies in the United Kingdom and in the United States that have created a weakness in our economy, corresponding to the weakness in the industries that we are trying to strengthen in this country. My hon. friend should change his policies instead of asking me about mine.

Some hon. Members: Hear, hear!

* * *

RAILWAYS

EMPLOYEES' HOURS OF WORK

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, my question is directed to the Minister of Transport. It relates to the high capacity of tonnage the minister has allowed the trains to carry, and he has not done anything about reducing the hours of work of employees. The operating employees have to work as much as 11 hours under this heavy strain. When will the Minister of Transport bring forward legislation that will reduce the hours of work for these employees?

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, if I were to do that you and others would find me doing something that is not of my competence, of my jurisdiction. The relationship between employees and employers is not my responsibility; it is the responsibility of employees and employers. If I were to do that, I am quite sure everybody else in the House, possibly including the hon. member, would condemn me for it.

REGIONAL DEVELOPMENT

PRINCE EDWARD ISLAND DEVELOPMENT PLAN

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. The Statistics Canada figures last night confirmed that Prince Edward Island still suffers virtually the worst unemployment problem in the country, including recent mass layoffs of provincial public employees. Is the Department of Regional Economic Expansion working on a program to replace the 15-year P.E.I. comprehensive development plan which terminates soon—it is now in its third and final phase—so as to avoid a complete economic disaster in the province when the plan does terminate?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, I am very happy to say to my hon. friend that I think exactly as he does. It is precisely because we are in the last phase of this 15-year comprehensive plan that we have come to the conclusion in cabinet that it would be totally unacceptable that, in three years' time, because the plan would end, there would be a reduction in our commitment to P.E.I. This is why we have taken the decision in cabinet to start immediately, and not in three years' time, to strengthen the federal government's capacity to deliver programs tailored to the needs and potential of this province.

Some hon. Members: Hear, hear!

* * *

LABOUR CONDITIONS

HEALTH CONSEQUENCES OF UNEMPLOYMENT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, as you will know, it is a scientific fact that as unemployment rates go up, heart attacks go up, alcoholism rates go up, and admissions to mental hospitals go up. I should like to ask the Minister of Industry, Trade and Commerce—

Some hon. Members: Oh, oh!

An hon. Member: Laugh about it you idiots. Listen! Listen and learn.

Mr. Hawkes: These are the consequences of the policy promoted by the Minister of Industry, Trade and Commerce. On behalf of the Canadian people I should like to know if the minister can assure the House that there will be an increase in hospital funding to take care of the health victims of his economic policy?

Some hon. Members: Hear, hear!

• (1200)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I think it would be better for the hon. member to ask for an increase in funding to help the people

who are harmed by the nonsense implied in the hon. member's question.

Mr. Clark: Nonsense! You know nothing about what you are doing, Herb.

* * *

BANKS AND BANKING

RATES CHARGED TO SMALL BUSINESSES

Hon. Bill Jarvis (Perth): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. A small but typical of thousands of examples of unemployment in small businesses is the closing of two restaurants in my riding causing 75 lost jobs, only because the operators simply cannot borrow at current rates to carry them through the marginal winter period. Despite what the minister said about the lowered rate yesterday, this morning in Stratford small borrowers could not benefit from any lowering of interest rates. Does the minister agree with the Minister of Finance who said that the banks are not discharging their responsibilities to small borrowers? If he agrees, what steps is he taking to discharge his responsibility to prevent small business lay-offs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, certainly in this connection if the banks are not reflecting the lowering of the bank rate in the way they are dealing with smaller business, I would certainly associate myself, as I have in the past, with the remarks of the Minister of Finance about the failure of banks to discharge their responsibilities. I will certainly be working with the Minister of Finance on this particular issue.

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HOUSE OF COMMONS

ELECTRONIC VOTING SYSTEM

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, we have become so accustomed to seeing you in the chair that we have actually referred to you as Madam Speaker. I believe this is the first occasion on which you have handled question period. On behalf of all of us I can say that you have done a first-class job.

Some hon. Members: Hear, hear!

Mr. Cullen: My question is directed to the President of the Privy Council and government House leader. Last night, thanks to the good will among House leaders, we were spared the necessity of voting 40 or 50 times. The 225 Members of Parliament who were here thank them for that. The fact of the matter is that it is a mind-stultifying procedure. Would the President of the Privy Council consider referring to the Standing Committee on Privileges and Elections, or setting up a special committee, to study it, the possibility of an electronic voting system in the House?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I wish to thank the hon. member for his question. I feel it is particularly worthy of consideration, coming from a member who is regularly in the House and is dedicated to improving the parliamentary system and procedures. I can assure him that I will give his question very serious thought and that sometime in the weeks or months to come, we shall look into this important matter with a view to making this Parliament more modern and more efficient.

* * *

[*English*]

POINT OF ORDER

MR. DEANS—PROCEDURE RESPECTING S.O. 43 MOTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am somewhat reluctant to raise a point of order today for the very reason that this is your first occasion in the chair during question period. However, when something is out of order, it is out of order. Unfortunately, today something was indeed out of order, in my judgment.

Today during motions, the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) rose and placed before you a motion under Standing Order 43. As you are aware, the first question put to the House asks for unanimous consent to waive the notice provision. That question was quite properly put to the House. The only obligation on the Chair at that point was to determine whether the Chair heard any dissenting voices. The Chair, in the wisdom of the Chair, did not hear any dissenting voices; therefore the motion was then read to the House. After the motion was read to the House, the Chair asked for unanimous consent to proceed with the motion. I put to you, Sir, that it is quite out of the ordinary and in fact unnecessary to obtain unanimous consent of the House at that point. All that is required at that point is for the Chair to put the motion, and then the motion is debated in the way of all other motions.

The fact that the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) rose and claimed that he had refused unanimous consent is irrelevant and therefore cannot be taken into consideration by the Chair once the Chair has decided that it heard no dissenting voices.

I ask the Chair to review this procedure over the course of the weekend to determine whether or not the facts as I have presented them to the Chair—and in fact as they will appear in the "blues", since I have read them—are accurate; whether it is true that there is no need for unanimous consent for the motion to be considered by the House after the request for waiving of notice has been given; and whether in fact there

ought not to have been then an opportunity given to any member of the House to debate the motion.

I realize that one cannot go back into history and have the debate now; I am not asking for that. However, I am asking that the matter be clarified, that it be recognized—and I put it without malice—that in fact there was an error, and that the procedure be clarified for future consideration.

Mr. Deputy Speaker: The hon. member's point is well taken. The Chair was concerned when the motion was put—

Mr. Nielsen: Mr. Speaker, may I speak to the point of order?

Mr. Deputy Speaker: The hon. member for Yukon (Mr. Nielsen).

Hon. Erik Nielsen (Yukon): Mr. Speaker, I will be very brief before you make your ruling. The facts related by the hon. member who raised the point of order are almost accurate. But I am constrained to say that when unanimous consent was sought by the Chair, there indeed was a "no"; I heard it myself.

Mr. Deans: That is not the point.

Mr. Nielsen: Indeed I should be recorded in *Hansard* as having heckled across the aisle, "Smith said no"; he heard me. Forgive me for using his name. Indeed there were other noes which I heard over there; there were no noes on this side.

Mr. Deans: Mr. Speaker did not hear any.

Mr. Nielsen: But at that point, the hon. member is quite right, there were only two courses to follow—either a debate must arise or the question must be put. Neither course was followed. Perhaps that was an instant oversight on the part of the Chair, but in any event the debate could only have lasted about two and a half minutes because that was all the time left on the clock.

Mr. Deans: That is irrelevant. Mr. Speaker, may I rise to comment further on the point?

Mr. Deputy Speaker: I have already heard the hon. member for Hamilton Mountain. When the motion was called the Chair at that moment did not hear a "no", but the Chair clearly heard some dissents prior to reading the motion. This creates a problem, and we will certainly review the record. But before the motion was read to the House there were dissents, and it appeared to the Chair at that point that there was not unanimous consent. However, the point of the hon. member is well taken. He put his point courteously. The Chair will review the record. He asked for clarification of procedure which appears to be reasonable; the Chair will defer on the matter.

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

Mr. Deputy Speaker: Is the hon. member rising on another point of order?

Mr. Deans: I am rising on another point of order which I would like the Chair to consider.

Mr. Deputy Speaker: Order, please. Is the hon. member speaking to the same point of order or to another point of order?

Mr. Deans: Mr. Speaker, I am rising on a similar but different point of order.

Some hon. Members: Oh, oh!

Mr. Deans: I should like the Chair to consider whether in any circumstance, having once determined that there is no dissenting voice and having read the motion to the House of Commons, the Chair is then given the option of rehearing what took place previously.

• (1210)

Mr. Deputy Speaker: This is precisely the same point the hon. member made before. The Chair is quite prepared to review the record and consider the matter.

I repeat, the Chair at first did not hear dissenting voices but did hear dissenting voices prior to the motion being read. Possibly the procedure that was adopted, as the hon. member very correctly points out, should be re-examined and there should be a clarification.

At this point I should like to let the matter rest for the moment.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CLARKE—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise to lay upon the Table a petition signed by many residents of the lower mainland of British Columbia. The nature of this petition is a protest over the announced government policy on rail cuts. The petitioners join the thousands of Canadians who have already registered their objections to the reduction in rail service announced on July 27 by the Minister of Transport (Mr. Pepin).

Their purpose is to inform the government of their objections to these policies. These petitioners claim that the cuts are unwarranted, that they undermine national unity, and further, that they are contrary to the fuel conservation measures advocated by this Liberal government.

The petitioners hope the government will listen to and act upon their wishes.

Order Paper Questions

MR. WENMAN—PROPOSED INCREASE IN POSTAL RATES

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I have the duty and responsibility to present a petition on behalf of constituents. The nature of this petition is to protest the proposed increase in postal rates. The purpose of the petition is to either cancel the increase or have the government ensure that the quality of service is correspondingly increased.

These petitioners hope that some action will be taken to alleviate this deplorable situation that is beginning to create hardship, especially for senior citizens and others on fixed incomes who suffer the most from the burden of high interest rates and high inflation.

* * *

[*Translation*]

THE BUDGET

ORDER OF THE DAY FOR PRESENTING BUDGET

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I rise under the provisions of Standing Order 60(2) to request that an order of the day be designated for Thursday, November 12, 1981, at 8 p.m., for the purpose of enabling the Minister of Finance (Mr. MacEachen) to make a budget presentation in the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,344, 2,229, 2,625, 3,010 and 3,147.

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

[*Text*]

TRAVEL PERMITS FOR SOVIET DIPLOMATS

Question No. 1,344—**Mr. Jelinek:**

1. How many Soviet diplomats, restricted to the confines of the National Capital Region, have asked for special permits to travel in other parts of Canada in the past (a) six months (b) year (c) two years (d) three years (e) five years and what are their names and their position?

2. How many times did each apply and how many applications were (a) approved (b) rejected?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1 and 2. (a) The information requested has been submitted in reply to question No. 1550 tabled June 25, 1981.

2. (b) When the Soviet government imposed restrictions on the movement of Canadian personnel in the U.S.S.R., the Canadian government, on a reciprocal basis, imposed similar travel restrictions on Soviet personnel in Canada. Staff of the Soviet embassy must give the Department of External Affairs 48 hours' written notice of the intent to travel (24 hours for travel to Mirabel airport and to Montreal). Each such notice is carefully examined by the Canadian authorities. There have been instances of members of the Soviet embassy staff making oral requests which would have been refused on grounds that prescribed procedures had not been followed. There have also been occasions when, because of unsubstantiated Soviet travel refusals for staff of the Canadian embassy in Moscow, the department has, on a reciprocal basis, not permitted Soviet representatives to travel in Canada. It would be contrary to normal diplomatic practice to make a public disclosure of such instances where travel was not allowed.

PAYMENT TO GRAIN PRODUCERS

Question No. 2,229—**Mr. Gustafson:**

Will a payment relating to the Russian embargo on grain be made to the grain producers and, if so (a) on what date (b) in what amount?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): On the date this question was asked, a complete significant answer was not available. Compensation to producers as a result of the partial grain embargo with the U.S.S.R. was announced by the Minister of Agriculture and the Minister of State for the Canadian Wheat Board on June 18, 1981, for a total of $81 million. Payments commenced on September, 1981, and the bulk of the moneys have been mailed to producers.

LETTER CONCERNING IMMIGRATION PROCEDURES

Question No. 2,625—**Mr. Cossitt:**

1. Did the Minister of Employment and Immigration receive a letter dated September 19, 1980, from Mr. D.R. Taylor, then an immigration officer, concerning a three-month relief tour of duty that Mr. Taylor had completed in India and, if so, on what date?

2. Did Mr. Taylor attach to his letter a report on his temporary duty in India in which he made a number of serious allegations with regard to Canadian immigration activities in India and the people being dealt with there and, if so, what were the allegations?

3. Did Mr. Taylor receive a reply to his letter and (a) if so, on what date and what was the reply (b) if not, does the minister intend to give Mr. Taylor a reply to the allegations?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. No, but a letter dated September 10, 1980 was received on September 15, 1980.

2. A report was attached to Mr. Taylor's letter reflecting his personal views of certain provisions of the Immigration Act and regulations. He also commented on certain practices, procedures and difficulties that are encountered by our officers in India when processing applicants wishing to come to Canada.

3. No, (a) N/A. (b) No. The minister regularly receives letters from employees expressing their views on various policies, practices and procedures. These letters are noted by the minister and referred to the appropriate officials for review and necessary action. This procedure was followed with Mr. Taylor's submission.

GUARANTORS FOR PASSPORTS

Question No. 3,010—**Mr. Cossitt:**

1. Will the government give immediate consideration to permitting licensed pharmacists to act as guarantors for passport application purposes?

2. Did the government receive such a request from the Canadian Pharmaceutical Association and, if so (a) on what date (b) what was the nature of the government's reply (c) does the government intend to grant the request and (i) if so, on what date (ii) if not, for what reason?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The eligible passport guarantor list is regularly reviewed and the present list is considered sufficient to meet the needs of the Canadian public.

2. (a) The Department of External Affairs received requests from the Canadian Pharmaceutical Association dated December 5, 1980 and May 15, 1981. (b) & (c) The department's reply of December 24, 1980, stated that it was the experience of the Passport Office that the present list of guarantors meets the needs of the travelling public. The association was also provided with a copy of the paper on "Passport Guarantor Policy" which was distributed to all Members of Parliament on December 9, 1980. This paper explains in detail the guarantor system and the reasons underlying the policy. In reply to the association's second request, it was again stated that the current guarantor list adequately meets both the needs of the travelling public and the Passport Office.

CONTRACT FOR PRINTING PAMPHLETS

Question No. 3,147—**Mr. Cossitt:**

With reference to the answer to question No. 2,791 which stated in part that Hesson and White Printers Ltd. of Kingston received the sum of $3,264.55 to print 20,000 pamphlets for the St. Lawrence Islands National Park (a) what are all reasons that this firm received the contract (b) were any other firms allowed to bid on the printing and, if not, for what reason (c) for what reason was the printing not awarded to a printing firm in the constituency of Leeds-Grenville where most of the park is located?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): (a) Hewson and White Printing (Kingston) Ltd.* submitted the lowest bid for the project.

(b) Yes.

(c) The lowest bid for the project was not received from a firm within the constituency of Leeds-Grenville.

*The name of the firm was incorrectly given as Hesson and White Printers Ltd. in the answer to part 4 (a) of question No. 2,791.

[*English*]

Mr. Stevens: Mr. Speaker, I rise on a point of order. I wonder if I might draw to the attention of the parliamentary secretary the fact that question No. 2,042 has been on the Order Paper since January 29 and has not been answered. As it deals with the total cost of the Prime Minister's December-January world tour and the percentage of those costs that was paid for by the taxpayers of Canada, I think it is an affront to this Parliament that for ten months we have been denied that knowledge.

Labour Adjustment Benefits

Mr. Smith: Mr. Speaker, I will take note of the representations made by the hon. member.

Mr. McKinnon: Mr. Speaker, I rise on a similar point of order. A couple of weeks ago I drew to the attention of the parliamentary secretary that question No. 2,035 dated January 27 has not yet been answered, and that question No. 2,519 dated May 21 has not been answered. Both of these questions concern the cost of air flights using DND aircraft. One of them concerned the Prime Minister and the other concerned DND jet aircraft.

We have heard assurances before from the parliamentary secretary that he will look into this but nothing ever happens. This is exacerbated by an answer by the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) to a written question about two weeks ago from the hon. member for Leeds (Mr. Cossitt) which said that answers to these questions and requests for information would be provided in October, 1981. Mr. Speaker, October has gone by and they are still not answered. Will this game go on for years or will the government bring in some kind of Draconian system instead of carrying out this charade every second Friday?

Mr. Smith: Mr. Speaker, I will make further inquiries with regard to these matters.

[*Translation*]

Mr. Deputy Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

LABOUR ADJUSTMENT BENEFITS ACT

MEASURE TO PROVIDE PAYMENT OF BENEFITS

Hon. Chas. L. Caccia (Minister of Labour) moved: That Bill C-78, an act to provide for the payment of benefits to laid-off employees and to amend the Canada Labour Code, be read for the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I rise on the second reading of Bill C-78 designed to provide for the payment of benefits to laid-off employees and to amend the Canada Labour Code. The bill reflects Labour Canada's participation in the $350 million Industry and Labour Adjustment Program announced in January 1981 by the Minister of Industry, Trade and Commerce (Mr. Gray), the Minister of Regional Economic Expansion (Mr. De Bané), the Minister of Employment and

Immigration (Mr. Axworthy) and my predecessor, the Secretary of State (Mr. Regan). As most hon. members are already aware, the various aspects of the program being proposed in this bill are aimed at facilitating labour adjustment by increasing the responsibility of employers and government with respect to displaced employees. They also provide for increased participation of employees in the process of deciding on provisions for adjustment in case of lay-off.

[*English*]

The major features of this bill—authority to provide early retirement pensions to employees who are unable to obtain alternative employment; an innovative process for dealing fairly with mass terminations; and improvement in severance pay provisions—flow from measures already existing and from recent extensive consultations with business and unions, as well as from the unanimous report of a tripartite commission of inquiry headed by Professor Carrothers. The report was handed down in late 1979.

The early retirement program has been in operation for several years in the clothing industry, the textile industry and the footwear industry, based upon the authority of a previous Appropriation Act. This bill will permit the immediate extension of early retirement benefits to qualified persons in the communities of Windsor, Tracy-Sorel, Port Cartier, Sept Isles, Schefferville and Sydney, N.S., and to industries which have been, or are to be, designated under the industrial and labour adjustments program.

● (1220)

As the House is aware, some 500 persons are being assisted by the current program. While it is very regrettable when a firm in a vulnerable industry closes its doors or is forced to reduce its operations and persons are left without employment, the array of measures available under government programs—job creation, job finding, mobility, training and so forth—coupled with early retirement as a last resort, go a long way toward helping the affected worker. There are several communities where textile and clothing firms have folded under international trading pressures or economic circumstances and employees have found themselves jobless.

In most cases other government programs have been able to provide alternative employment in short order, but for those who cannot move, cannot find something else or cannot be retrained, at least at that point in time, the early retirement benefit is a measure which maintains income in a manner consistent with human dignity. At the same time, the government does not simply leave the person there unaided. Efforts continue to help the worker find other permanent employment or to create the necessary jobs.

Consider the case of a recent lay-off involving 52 people in a large textile plant in Drummondville. All the people laid off were over 54 years of age and, therefore, eligible for assistance under the former federal adjustment program. It helped people bridge the gap until such time as they found other employment or were eligible for pensions.

Now, an older worker who finds himself without a job through no fault of his own after working ten years in, say, an auto firm, who has exhausted his unemployment insurance benefits and yet is not eligible for pensions, will be able to call upon the labour adjustment benefits program for assistance.

The innovative process for dealing fairly with mass terminations stems from the provisions already in the Canada Labour Code requiring adequate notice to be given; but notice is not enough. As members will be aware, there have been several cases in the last couple of years where firms closed, leaving employees high and dry without termination benefits—severance pay, pension rights and buy-out of equity in their jobs. The result has been that employees engaged in strike action sometimes had virtually to occupy the plant in order to force justice out of their erstwhile employers.

This bill will require employers in the federal jurisdiction to negotiate a fair termination settlement package with their displaced employees or union. May I remind hon. members that the federal jurisdiction encompasses railways, trucking, shipping, banking, grain handling and other national infrastructure industries. It will provide that, in the absence of agreement, a third party will make a final and binding decision that will eliminate the necessity for employees to engage in desperate measures of "industrial action" in order to uphold their rights.

The measure we are proposing today is something unique in Canada and probably in North America at this point. I believe it will bring justice to persons caught up in mass terminations caused by economic and technological change. Enlightened and socially responsible employers are already pursuing this kind of process when forced to curtail operations.

I believe this bill is sound, desirable and in the interest of Canadian workers, and I urge members on all sides of this House to support it.

Hon. David Crombie (Rosedale): Mr. Speaker, first let me say that I am very pleased to be able to speak to this bill. In particular, because of its being introduced by an old friend and colleague, I would like to congratulate the new minister on his first bill in this House.

When the matter goes to committee, we on this side of the House will be asking some questions and proposing some changes of a technical nature, particularly relating to appointments and some other matters. Also in committee we will be raising the question of coverage. I am sure it is no surprise to the minister that this bill will not have a very good effect with respect to classes of workers that he has in mind who are women. By the very nature of their jobs and employment record over the last 20 years, women will not find the same kind of coverage as male workers.

Let me state clearly it is not a responsibility of the minister in that regard, but it is something to which he may want to give further consideration. There is a clause of the bill which allows for greater flexibility by the board in certain cases. The minister may want to give some consideration to expansion of that clause so that it clearly states the board will be able to

deal more equitably with regard to women workers in the work force.

My comments today are going to deal primarily with the problem that the bill is intended to deal with, not in the past but in the future. With great respect to my colleague the Minister of Labour (Mr. Caccia), this bill looks at what the problem has been and is right now. It does very little to deal with what is increasingly a very fast growing scene with respect to employment, unemployment and job creation in this country.

It is interesting that the bill should be dealt with today when the unemployment and job-creation statistics came from Statistics Canada. It is worth referring to the unemployment problem and the job problem in this country. This bill is a fairly puny attempt at trying to deal with what the minister is pleased to call an assault on technological change in this country.

The unemployment rate in this country is now at 8.3 per cent. That means that on a seasonally adjusted basis we now have, as recorded up to October 17, 989,000 Canadians out of work. If I just left it there, it would be an awesome enough figure for members on all sides to consider when looking at the specific individual misery that causes. However, if I look at it a little more closely, I see that it affects particular groups even more so. Unfortunately, these groups are not covered in any significant way by the bill. The hardest hit group are young people between the ages of 15 and 24. This month alone there are 32,000 people in this age group who are unemployed and have lost their jobs in one month's time. There are 99,000 fewer jobs than in June 1981 for this group, and 44 per cent, almost half, of the 989,000 unemployed are between the ages of 15 and 24.

It is indeed a terrible thing at an advanced age to find yourself unemployed because it speaks to how you feel about yourself and your family, how they feel about you, your standing in the community and your sense of worth. It is a different experience but just as miserable for a person who is just starting out to find that one of every two who looks for a job will not find one.

● (1230)

That is the situation the government has us in today. Putting aside those people between the ages of 15 and 24 looking at geographic reasons, the province of Quebec lost 9,000 jobs last month alone. Unemployment in the province of Quebec is now at 11.5 per cent. That is the highest unemployment rate for that province in modern times. Of those entering the labour force over the past year, 44 per cent were unable to find a job. One further statistic shows that 132,000 fewer people are working today compared to this times last year.

In spite of comments being made by the Minister of Industry, Trade and Commerce (Mr. Gray), the Minister of Finance (Mr. MacEachen) and the Minister of Employment and Immigration (Mr. Axworthy), about job creation, the reality is in fact the reverse. Unemployment has risen and job creation has fallen. Those are the facts. All the words from ministers of the Crown will not change that reality for the Canadians who are suffering.

We agree that this bill should have been brought forward some time ago. But for those people who are in their fifties who will be laid off as a consequence of a depressed industry, and looking at the total situation with respect to employment opportunities in this country, this bill is indeed far, far too late. It is neither very strong nor very effective for the great majority of the people who will be affected.

The minister also spoke of technological change. I wish he had not said that because he at least shows that his department has some nodding acquaintance that we have been in a technological revolution for some time. It is that technological revolution which the minister is not taking into account in this bill.

Mr. Pepin: Transportation.

Mr. Crombie: The Minister of Transport (Mr. Pepin) yells "transportation". We have been trying to tell the minister for some weeks now that a revolution has been going on, and the revolution is about him and his policies with respect to VIA Rail.

Some hon. Members: Hear, hear!

Mr. Crombie: The only revolution that might help is if he were put in another job so we could have someone else who would begin listening to Canadians who are concerned with the revolution that has been taking place in transportation.

Mr. Pepin: You are wrong.

Mr. Crombie: Mr. Speaker, I would like to offer some thoughts today to the minister and his department with respect to this bill. Both he and the Minister of Employment and Immigration have certainly demonstrated no action with respect to placing this country in a position of competitiveness in the face of technological change and they have spent precious little time on it. For the past 20 years the minister's colleagues have been putting their heads in the sand about what is going on in this world concerning technological change. That is the reason the minister brought this bill forward.

We are in the midst of a revolution of scientific, economic and technological dimensions which will change forever the work place in Canada. Our productivity and competitiveness as a nation and our relations with one another as human beings will be changed. Let me use one example of that change which is already about us. I think of robots because that is perhaps the most dramatic and obvious example, particularly if one thinks of their utilization in factories. Already in the world there are robots that can paint cars, command milling machines, weld auto parts, hoist turbine blades, pack candies, wash windows, and in Australia robots shear sheep.

We must remember that robots never go on strike, they never call in sick, they work double shifts without complaint, they never file insurance claims or go on vacations and they

work well in hostile environments. There are approximately 15,000 robots in Japan, approximately 4,000 in the United States and approximately 5,000 in Germany. There are precious few in Canada. But more importantly, when those changes come, and come they will, the best the government can do with respect to technological change is to deal only with those people who are in industries that are being depressed by government policies and only those people who are in their mid-fifties. That help is needed but it shows that the government is totally ill equipped to deal with the technological change that is coming upon this country.

The growth and development of the Canadian economy in the 1980s, the 1990s and into the twenty-first century will require a fundamental change in our educational opportunities, our scientific research, our technology and technological education and in our human resources development. Specifically as a nation we will need to develop policies that will take us in those directions.

Education, for example, is a provincial responsibility. It is also a national concern. It was announced by the Minister of Finance and then I think denounced by another minister the other day that this government would cut $1.5 billion out of the established programs financing in federal aid to education. That act alone shows that the government has no understanding of the role educational institutions have to play in relation to technological change so that we will not have the unemployed people the Minister of Labour is trying to protect. Educational institutions depend fundamentally on federal aid. Forty-five per cent of the operating costs of universities in this country is provided by the federal government. If the Minister of Finance has his way, educational institutions will find themselves in very great difficulty. That difficulty will further expand the already terrible situation for young people who are between the ages of 15 and 24 years, among whom already almost one out of every two are without jobs.

We should begin to provide leadership, and I hope that the federal government will offer leadership in this regard, although I do not see anything that tells me that the federal government will do so, in co-operation with the provinces, regarding the equalization of educational opportunity in this country. We need to ensure the existence of world class institutions of advanced education in particular fields. We need support for world class programs in research, both basic and applied. We have to ensure high-level technology training to develop people with world class skills and abilities. We have to provide support for unique and fundamentally important resources, such as archives, museums, rare books and scholarship programs.

When I hear the minister talk about attempting to deal with technological change, and when I hear his colleagues talk about their concerns with respect to policies of cutting back on aid to education, it shows me again that the government will not take us into the future but back to 1960. This country has to equip itself for the 1980s, the 1990s and the twenty-first century. The policies which the government is proposing will not bring us the excellence we need. Indeed, these policies will maintain the mediocrity which the government has imposed when it comes to research and development in Canada.

The bill itself, as I indicated earlier, is one which we will deal with in committee in terms of its specifics. I indicated that one of the specifics was that of the problems women face in the work force. The difficulty is that the regulations imposed by the legislation are such that most women, given the fact that many are regarded as playing an important role in raising children within the household, together with the kinds of jobs they have been forced into over the last number of years, will not have work opportunities. This is a problem in respect of which I hope the minister will take us into his confidence in committee so that we can see whether he is willing to expand that section which deals with the discretion the board will have.

● (1240)

The matter I dealt with a moment ago with respect to technological change is one with which I am hoping the Minister of Labour will be able to deal. The Minister of Employment and Immigration so far has failed to do anything of a significant nature for us. Clearly the Minister of Industry, Trade and Commerce likes to talk only about announcing programs without putting them into effect. The Minister of Labour has a unique opportunity because, as a new minister, he can carve out new opportunities and grounds in relation to his own responsibility. This is clearly a situation where responsibility is going from one minister to another, and for very good reason. I think the new minister may be able to do something the former minister could not.

When the new minister is dealing with his colleagues he may want to look again at policy with respect to the established programs financing. I dwell on this because the established programs financing, which was established in 1977, as the minister may recall, was to allow flexibility in programs for provincial administration while at the same time putting a cap on committed federal government expenditures. That was the result of a request, interestingly enough, made by the federal government.

Up until 1977 federal aid to education, hospital insurance and medical care was handled on a cost-share basis. That was not acceptable to the federal government because it wished to have some control over its expenditures, and it was becoming increasingly unacceptable to the provinces because they found themselves having to live within criteria they did not want as established by the federal government. Both sides decided in 1977 that it was of mutual benefit to make a change in the way in which moneys flowed from the federal government to the provinces.

That change came about in 1977 under what was called established programs financing. What it established was that under those programs in education, hospital insurance and medical care the provinces would get a lump sum of money or a block fund, an amount to be determined by the relationship of the province to the increase in the gross national product.

I emphasize this because the government in the past two years, certainly in the last year and a half, rather than dealing with our real problems has sought to blame the provinces for not carrying out what this government was pleased to call the provinces' responsibilities with respect to education and medical care.

The fact of the matter is that it was the federal government that asked for the change. Any reading of the words of the then minister responsible, who is now the Minister of Energy, Mines and Resources (Mr. Lalonde), and indeed, a reading of a speech of the Prime Minister of the time, will show they extolled the virtues of the established programs financing because it gave the very flexibility for which they now condemn the provincial governments.

I am one who is interested in having the provinces of this country contribute more in the field of education. We need not less money from the federal government for education, research and development, but more. There are a number of sins this government has committed over the past ten years in respect of education for which it will have to fess up. One of the things it will have to make sure it discontinues is blaming the provinces without putting up the money and the leadership.

Every educational institution, every corporation interested in on-the-job training, every province that is interested in apprenticeship training and every school that is interested in technical training is looking for leadership. This is not the kind of leadership that means the federal government collects the money, spends the money and therefore controls it centrally. The great difficulty we have had so far with this government is that every time it contributes money it thinks it ought to control the policies relating to it. That is not the way our federalism works. I have noted in the past few days that a number of people have begun to understand how the federal system actually does work, and that is why so many of us were pleased the other night. One of the things this government ought to remember is that although the parochialists may be bad, the centralizers are just as bad.

When it comes to providing money for employment, research and development and education, this is done best at a local level. Small and medium-size business in this country create more than half the jobs, and the important relationship between small and medium-size businesses is their relationship to the municipalities, the regions and the provinces in which they exist. If the federal government thinks that by the power of the purse it is going to create educational programs for this country, it is wrong. That is not the kind of leadership the country needs. The leadership must come as a result of a co-operative endeavour between the provinces and the federal government. The existing council of ministers of education needs to be expanded. I might say that two parliamentary committees have already reported and have attempted to make sure that the federal government, first of all, does not cut out the $1.5 billion federal aid to education, and second, that the federal government understands that in its endeavours its leadership is required to make sure local areas are getting the funds. It must provide the leadership to make sure that the provinces, regions, municipalities and local areas are able to work with small and medium-size businesses in their own areas.

I continue to emphasize leadership because we have had so little from the federal government in this field for so long. That is why many other countries which we previously regarded as being behind us in the technological field, in education, in productivity, in competitiveness and in standard of living, are now ahead of us. They are ahead of us because we constantly see bills from this government dealing with real problems that could have been solved earlier.

An hon. Member: Why not solved by the provinces?

Mr. Crombie: My hon. friend asks why not by the provinces. In the three years I have been here I have heard minister after minister on the government side, except for a nine-month period, constantly state that our problems are the fault of somebody else. I have heard them blame the provinces and world conditions. All other countries live in the same world, yet we have gone from second place in terms of competitiveness and standard of living to somewhere around fourteenth. The fact of the matter is that the federal government has allowed this country to forget that we established our standard of living in this twentieth century through a belief in the validity of science and the ability of human beings to acquire research and development techniques to exploit science for economic development. That is the kernel of what we are talking about.

• (1250)

When the minister talks about technological change, all he is talking about is what we were involved in many years ago. That is, the realization that the only way in which we progress in this world in economic development is through science, research and development and on-the-job training. All of that has been lost.

In 1951, the Massey commission advised the government of that time that its role in economic development, particularly related to technical and technological education, was not only important but crucial. That was 30 years ago. In 1951, the Massey commission said that the federal government must continue the same aid which it had provided in the 1940s during the war, and late in the 1940s for employment rehabilitation for people who came back from overseas.

In 1940, this country took its first step as a federal government in the field of technological education. It expanded and intensified it during the 1940s. In 1951 when Mr. Massey recommended it be expanded again, we did so for about three years.

Interestingly enough, I offer this as a non-partisan thought, which it is. It expanded again in 1958, 1959 and 1960, when federal aid was expanded to technical and technological institutions in this country. It closed down again in the mid-1960s and it has become worse throughout the 1970s, a whole decade. There has been no fresh program for a whole decade, indeed no fresh thought by the Liberal governments we have

had, on how we move the country back into international competitiveness, with excellence rather than mediocrity in our research and development as our major criteria.

Mr. Caccia: Come on!

Mr. Crombie: The minister says "Come on", Mr. Speaker. I would have to say that he knows it to be true. In fact, the minister knows in another incarnation when he was involved in a training school of his own in Toronto how hard it was to get any support from the federal government.

Mr. Caccia: Provincial government.

Mr. Crombie: From the federal government. He used to tell me about how he might get some help. That is the truth of the matter, Mr. Speaker.

There are a number of matters which I could elaborate on with respect to the specifics of this bill. As I mentioned, I will be dealing with them in committee, as will other members. At this point I shall simply let another colleague address this bill. I know there are a number of members in our party who are concerned that the bill simply shows that again the federal government is looking at problems it created ten years ago and not to the future.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of our party look upon any proposal to create a labour adjustment assistance program as one which will only have any real merit or relevance if it is part of a planned objective and policy which takes into account the needs of workers in a particular industry. It will only work when we have as our objective the establishment of the principle that every person in this country who wants to work is able to find a job.

It is interesting—coincidental, of course—that the minister brings forth this bill on the same day that Statistics Canada produces the grim report that approximately 989,000 Canadians are unemployed. That means 8.2 per cent of the work force across this country are out of work. The minister should remember that that figure of 989,000 is not the factual figure. The real figure is substantially higher, probably 1,300,000 who are unemployed. The reason the figure is higher—and this was mentioned during question period today—is that the figures calculated by Statistics Canada do not include the tens of thousands of native people living on reserves where the unemployment rate is anywhere from 60 per cent to 90 per cent for a good part of the year. It does not include the tens of thousands of people in slow growth areas such as Atlantic Canada, the Gaspé Peninsula and certain parts of Manitoba where jobs are so few that thousands of people who want work have simply given up looking. Of course, if they do not look for work, they are not counted among those unemployed.

Mr. Young: The disabled also.

Mr. Orlikow: My colleague from Beaches in Toronto mentions the disabled.

I was a member of the parliamentary task force on Employment for the '80s which looked at the prospects for employment for approximately the next ten years. The task force, which was made up of four members from the Liberal Party, two Conservative members and myself from the New Democratic Party, studied the question of employment and listened to people from one end of the country to the other, people at the grass roots level. We considered the problems of unemployment, why there was unemployment, and then gave consideration to the question of full employment.

I do not do this often, but I want to put on record a few sections of that report. I do this, Mr. Speaker, because it is not unusual for members of this House to hear members of our party, including myself, say that it is not only possible but imperative that we adopt policies that would permit every person in Canada who wants to work to be gainfully employed.

Here we have a report signed and supported, but for a couple of very small reservations, by the two Conservative members and approved by the four Liberal members which deals specifically with the whole question of full employment, without which I think what the minister is bringing forward today is really an exercise in futility. In saying that I am being very charitable to the minister.

Let me now put on the record a few paragraphs from this report:

> Task force members did not accept that there was no solution to the present trade-offs between high unemployment on the one hand and high inflation on the other. They felt that human ingenuity and political will should provide better solutions.

The Liberal members agreed to that. It then goes on to quote from a white paper on employment and income issued in 1945 by a Liberal government. That report said:

> The Government has stated unequivocally its adoption of a high and stable level of employment and income, and thereby higher standards of living, as a major aim of Government policy. It has been made clear that, if it is to be achieved, the endeavour to achieve it must pervade all government economic policy. It must be wholeheartedly accepted by all economic groups and organizations as a great national objective, transcending in importance all sectional and group interests.

If there is one group that seems to have forgotten that important recommendation of the white paper, it is the Liberal government of 1981 which is ignoring the advice of the Liberal government of 1945.

Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Blaker): It being one o'clock, and pursuant to Standing Order 2(1), I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Orlikow: Mr. Speaker, just before we terminated the debate at one o'clock I put on the record the central principle of the white paper tabled just after World War II by that most eminent Liberal cabinet minister of the day, C. D. Howe, which was that that Liberal government committed itself to work toward full employment. When it was established, the Economic Council set its goal in its first annual report in 1964. With regard to employment the report said, and I quote:

—a calculation of the possible, . . . a target to be aimed at, . . . not the highest level of attainment under the best of all possible circumstances, but rather an indicator of productive capabilities under reasonable expectations of performance.

With this in mind the council projected that a 97 per cent rate of employment, or a 3 per cent rate of unemployment in the labour force, would be a realistic objective.

For a number of years between the mid-1960s and 1967 we actually had an unemployment rate of just 3.8 per cent. However, in the 1970s that 3 per cent target disappeared. Indeed, when the Liberal government passed amendments to the Unemployment Insurance Act in 1971, it based its legislation on the principle that the average unemployment would be 4 per cent and that over the 4 per cent rate the government would pick up the deficits which would be created in payments of unemployment insurance benefits.

In recent years the government seems to have moved away from earlier ideas about full employment. The Governor of the Bank of Canada has suggested that there is full employment when we have 7 per cent or 8 per cent unemployment. In the budget which the Minister of Finance (Mr. MacEachen) introduced in November of 1980 he projected—and accepted—an unemployment rate in excess of 8 per cent for the first five years of the 1980s. I point out that this is double the 4 per cent rate the government found acceptable in 1971.

Given these facts and the fact I pointed out when I began my speech, that the official rate of unemployment accepted by Statistics Canada—which, if anything, underestimates the amount of unemployment we have—is now 8.4 per cent, the task force which, as I pointed out, had a majority of members who were Liberals and was chaired by a former cabinet minister, the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), said in connection with the question of full employment—I just want to put this last paragraph on the record:

Canada needs an industrial strategy that will put people to work, and a government determined to achieve this goal must set goals for lowering unemployment. This strategy should aim to achieve full employment, which the task force considers to be 4 per cent unemployment. Government policy should be designed to meet this goal as soon as possible.

One can see how far the policies adopted by the government are from the objective set out by that task force in which Liberal members were very heavily involved.

What we have in the bill proposed by the minister today is supposedly an adjustment assistance program, but it is a program which excludes nearly all the people who lose their jobs. I will not go into the details now. Some of my colleagues will follow in the debate a little later, but the program excludes people who have worked less than ten years and people who are not yet in their fifties. I am sure that if the bill were in effect now, virtually none of the 2,000 people who received their lay-off notices yesterday when the Admiral Corporation closed down would have been eligible for assistance.

• (1410)

We reject this very picayune approach of the government. We believe that an adjustment program, as I said earlier, must be part of a strategy designed to give employment to all those who want to work. If people are unemployed, then the adjustment program, along with the other programs we have such as unemployment insurance, must assure assistance to people laid off through no fault of their own, to a large extent because of the mistaken economic policies of the government and the high interest rate policies adopted by this government which have created situations where there are no sales for the companies for which they work.

With interest rates at 20 per cent for housing mortgages, it is not surprising that tens of thousands of workers in the forest industry are unemployed. And with housing sales plummeting to near zero, it is not surprising that Canadian citizens are not buying appliances. That is the reason the Admiral Corporation had no customers for its product. It is not surprising, Mr. Speaker, that the automobile industry is in such dire straits.

Given that situation, what does the minister propose in the bill? First to qualify you must be a Canadian citizen or a permanent resident, have been laid off as a result of non-cyclical factors, the total lay-off must equal 10 per cent of employees or 50 employees. You must also have been employed for 10 years out of the past 15 years in the industry, be 54 to 65 years of age, exhausted you unemployment insurance benefits and have no prospects for employment or are able to find only a low paying job.

What the government's objective was when it drafted this bill, Mr. Speaker, was to find ways to exclude as many people as it could, rather than design a bill that would include as many people as possible who need protection because they have been laid off.

It is not surprising, Mr. Speaker, that various groups of people, groups like the Canadian Labour Congress, individual unions and people in academic positions, people concerned about the welfare of their fellow Canadians, not only think this bill is totally inadequate but have drafted or have started to draft real alternatives that would help such people.

For more than a year, Mr. Speaker, I have worked on a private member's bill that would deal with the question of plant closures or cutbacks and with the plight of people who are laid off. This bill, Mr. Speaker, is almost ready. As far as I am concerned, it is ready but it has to be approved by the legal experts of the House of Commons. As soon as it is, I intend to introduce it.

My bill, unlike this bill, Mr. Speaker, will go a long way to mitigate the serious consequences of lay-offs. My bill includes appropriate time frames for notices of termination, which this bill does not deal with. I start with the principle that it is not

acceptable that an employer can decide in a day, week, or month's notice that the business shall close and that his employees who have worked for many years will be thrown on the breadline or will have to depend on unemployment insurance. I do not believe that one or two weeks' notice or even one day's notice is enough. This occurs too frequently. I believe such short notices give the employees little, if any, opportunity to prepare for and to obtain new employment.

I know the minister knows that what I am proposing in this bill is close to what the organizations, such as the Canadian Labour Congress, have proposed. I am suggesting that employers be required to give 26 weeks' notice to the employees when they are terminating their work, where there are less than 50 employees involved, and 52 weeks' notice where there are 50 or more employees who will be laid off.

Some hon. Members: Hear, hear!

Mr. Orlikow: I am suggesting in all instances of temporary lay-offs that the employer be required to give one month's notice and continue to pay all benefits, such as health insurance, pension and so on, contracted by the employees with the employer for the duration of the lay-off. Too many employees find themselves in difficulty where they are laid off for one, two or three months and cannot make up the benefits they have lost during that period.

Where the duration of unemployment is lengthy, I am suggesting that the employee should receive at least one week's severance pay for each year of service, and that pensions should be made more portable than they have up until now. Thousands of employees in this country lose the benefits of those pensions they have contributed to because the companies they work for do not work for them and the employees have to seek other employment whereby their pensions are not portable. I propose that pension contributions be placed in a central pension agency until retirement of the affected employees, or until the employees become a member of another plan. The funds would then be transferred to a new plan.

Where the duration of employment with employees is the result of the introduction of new equipment, I am suggesting that a labour-management committee be set up, consisting of an equal number of members from labour and management, to monitor the production of the new equipment, procedures and problems associated with the same. I suggest to the minister that if that kind of board had been set up in the post office, we would have avoided the difficulties we had over the last ten years because the employees would have had assurances and guarantees that the automation installed in the post office would not displace them from the jobs they held.

Mass terminations obviously create the greatest social and economic hardship and dislocation. Therefore, a permanent job protection board should be established to investigate employment terminations involving 50 or more employees and all permanent business closures. The board should also be permitted to investigate terminations of employment involving less than 50 employees when it is warranted. The business involved would be compelled to provide market and financial information as required by the board and the board would have all the powers included in the Inquiries Act so as to ensure that the workers are not mistreated for reasons beyond their control. I suggest the board would make recommendations as to whether terminations are justified and what actions and remedies are required. These recommendations would be submitted to the Minister of Labour (Mr. Caccia) at least 90 days before the closing date set out in the termination notice.

The minister would then make orders, based on the board's recommendations, to reduce the impact of the employment terminations on the employees and communities. These orders would be made at least 60 days prior to the closing date set out in the termination notice.

I could continue, Mr. Speaker, but I think other members are interested in this subject because we are talking about the way of life of a large number of people, many of whom have worked for companies for 10, 15, 20 or 25 years and suddenly find themselves at the age of 40, 45, 50 or 55 where they have lost their jobs and are not able to find another job at all, or only find unskilled jobs or jobs that pay little more than the minimum wage.

If hon. members were to compare the kind of proposal that I am suggesting with the proposals contained in this bill, I think that those who look at it with a partial eye will see there is virtually nothing in the bill proposed by the government to give real protection to the workers.

• (1420)

As a matter of fact, it is interesting to note that the benefits which will be paid under the provisions of this bill to the few workers who might qualify will be even less than those paid to workers who have been laid off and are receiving compensation under the provisions of the bill we passed which gave some form of help to workers in the textile and clothing industry. Rather than the government improving and expanding the kind of legislation which began in the textile industry and the kind of legislation which at one time helped auto workers with transitional assistance benefits—and we need to improve them today given the fact that unemployment has risen so dramatically compared with what it was five or ten years ago—the government is cutting back on the meagre programs started a few years ago.

That being the situation, it is the intention of hon. members of the New Democratic Party to speak out and campaign as vigorously as we can against the half-baked, milquetoast proposal before us today and to vote against Bill C-78.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am particularly pleased at being able to take part in the debate on Bill C-78 now before the House, a bill announcing the implementation of the industrial and labour adjustment program. As Parliamentary Secretary to the Minister of Labour (Mr. Caccia), I wish to congratulate

the minister for insisting on having this bill passed as soon as possible, particularly in view of the present economic situation. It is the minister's first bill in the House. It is a good bill which will considerably improve the quality of benefits already being granted by the government to workers affected by employment slowdowns in a given sector.

Mr. Speaker, last January at a press conference in Sorel, Quebec, the President of the Privy Council (Mr. Pinard) announced to hundreds of shipyard workers who had been affected by a considerable work slowdown that the federal government would help them by setting up a special industrial and labour adjustment program with a $350 million budget. Four other regions also designated on this occasion were Port-Cartier, Sept-Îles, Sydney, N.S. and Windsor. Mr. Speaker, the announcement could not have been made at a more appropriate time, because in my constituency, which is just opposite Sorel on the North Shore of the St. Lawrence, several hundred people work in the shipyards and their job situation has been seriously affected by lay-offs. And, Mr. Speaker, in other municipalities in the riding of Berthier-Maskinongé-Lanaudière which I represent, the formerly flourishing textile industry was seriously affected by the slump in this sector and by the fact that a number of companies, including Associated Textiles of Canada Limited in Louiseville, which had over 600 employees, many of whom with more than 35 years' service, had to close down. This was quite a shock to the people in the area. I am very pleased that the government followed one of my recommendations by reducing the pre-retirement age from 54 to 50 for workers with 30 years' service in the same industry.

The various sections of the program provided under Bill C-78 are aimed at reducing the negative impact of the adjustment on wages, by increasing the responsibility of employers and government in this respect. Mr. Speaker, I would like to see the section of the act which sets at 50 the age requirement for pre-retirement applied retroactively, so as to cover under this act all workers who have lost their jobs in situations similar to the one I have just described, workers with more than 30 years' service and who were unable to receive pre-retirement pension benefits because they were not 54 years old at the time.

The labour adjustment benefits act is designed to make effective programs and policies aimed at helping employees to adjust to structural change by increasing the responsibility of both employers and government regarding workers affected by the adjustment. The act consists of two main parts: The first part, the labour adjustment benefits program, will provide pre-retirement benefits to older workers with a number of years of experience in the activity sectors affected by structural change. The second part of the act consists of amendments to Part III of the Canada Labour Code and will increase the rights of workers affected by collective lay-offs in activity sectors under federal jurisdiction. Both parts come under the $350 million Industry and Labour Adjustment Program announced by the government on January 19, 1981. Under the program, once the bill is passed, pre-retirement benefits will be paid to workers in designated communities. According to this bill, adjustment benefits already paid to workers in some industries under existing programs of adjustment benefits will continue to be paid.

Mr. Speaker, the program of adjustment benefits is aimed at providing, as a last resort, some financial assistance to older workers who have been laid-off in designated industries and who do not meet the requirements of other programs for a greater use of manpower. The industries involved are those where imports could give rise to a strong competition or those which are encouraged by the government through its programs and policies to undertake an industrial restructuring. In case of economic pressures, the cabinet could also designate industries in some special geographic areas. Those adjustment benefits granted on the basis of areas come under a program of assistance for the adjustment of industry and manpower announced in January 1981. Moreover, the program provides for the establishment of a Labour Adjustment Review Board to confirm the eligibility of certified workers to benefits. Indidivual applications will be processed by the Canada Employment and Immigration Commission. This program is a substitute for programs of adjustment benefits made available by the Department of Labour to workers in the textile, clothing and footwear industries.

To be eligible for benefits the employee will have to get the Labour Adjustment Review Board to confirm that he has been laid off; in other words, it must be certified that the lay-offs involve an establishment which belongs to a designated industry and affect 10 per cent of the manpower or 50 workers of the establishment, whichever is the lesser. The board must also be convinced that the lay-offs stem from a serious economic upheaval in the industry. To be entitled to labour adjustment benefits, Mr. Speaker, the applicant must be at least 54 but under 65 at the time of the lay-off, have exhausted all his unemployment insurance benefits, have at least ten years' employment in the industry in the 15 years immediately preceding the lay-off, be a Canadian citizen residing in Canada or a permanent resident, and have received from the Canada Employment and Immigration Commission a certificate attesting that the applicant has absolutely no employment opportunities or holds a job for which he is not paid as much as he was in his previous employment in the industry. Special attention might be paid to people aged 50 or over with 30 years of service in the industry at the time of the lay-off. Mr. Speaker, this is where I will ask that, if possible, this clause of the bill be made retroactive to the beginning of this program. The entitlement of workers to the labour adjustment benefits will be reviewed regularly by the Canada Employment and Immigration Commission. The benefits are equal to 60 per cent of the average insurable earnings before the lay-off. For 1981, the maximum insurable earnings prescribed under the Unemployment Insurance Act stand at $315-week, therefore

the maximum labour adjustment benefits is $189 a week. They are reduced by 60 cents for each $1 of income from employment while the worker is registered under the program, and $1 for each $1 of income from another government transfer payment or from employment preceding the benefit period. The benefits will be indexed once a year to the cost of living.

In summary, Mr. Speaker, the purpose of the labour adjustment benefits act is mostly to provide last resort financial assistance to older workers who have been definitely laid off in designated industries and who do not meet the requirements for more active labour use programs. These industries are those where imports can create strong competition or those for which the government has incentive programs. In cases of serious economic pressures, the Cabinet can also designate, as I noted earlier, industries in specific geographic areas. These regional adjustment benefits are part of the industry and labour adjustment program.

The act also provides for the creation of a labour adjustment review board to certify the entitlement to benefits of laid-off workers. Individual claims are processed by the Canada Employment and Immigration Commission. Within a maximum limit provided by the act, a claimant can receive benefits equal to about 60 per cent of his average salary before his lay-off. The act currently covers adjustment benefit programs offered by the Department of Labour to the workers of the textile, clothing and footwear industries.

The proposed amendments to Part III of the Canada Labour Code aim at reducing the impact of termination of employment. The workers affected will be entitled to severance pay after one year of employment rather than five as is now the case. The employee will continue to receive two days wages for each completed year of employment. However, a minimum of five days wages will be provided and the maximum of 40 days wages now in effect will no longer apply. Moreover, Mr. Speaker, when the lay-off list includes 50 or more employees, the employer will have to give a 16 weeks notice and to establish a management-labour committee whose members will be responsible for developing a plan to minimize the impact of termination of employment. Under certain provisions, the minister will be able to appoint an arbitrator to settle disputes during the planning stage. If both parties are bound by a collective agreement which sets down the procedure to follow in the case of a mass lay-off, the employer will be exempted from having to establish the planning committee. Finally, the minister can waive the obligation of providing a notice or of having consultations when he is convinced that there already exists an orderly plan for termination of employment. Mr. Speaker, this legislation is of major interest to our workers and I hope that the House will give it the required support to ensure its speedy passage.

• (1430)

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I welcome the opportunity to speak on this particular bill although it is not one to which I would normally turn my attention. In the past I have worked with the Standing Committee on Finance, Trade and Economic Affairs and with what you might call more management oriented interests. Things have now reached the point where a properly trained labour supply has to become an integral part of management interests. It is an interest of government, of course.

Because of the developing nature of world industry we are faced with massive changes. For instance, in the petrochemical industry and other industries in this country we are dealing with world-scale plans. It is not only in that sector that one gets this massive type of installation but in the automobile industry, the farm machine industry, the textile, furniture and footwear industries. With the concentration of production in bigger and bigger operations, negative movements or events which force the closure of any particular plant will obviously mean massive lay-offs.

I think all of us will accept that the social impact of massive lay-offs in a community is not debatable. We all realize how difficult they are. One cannot say that a person who has taken employment with a particular firm in a particular industry has an inherent right to that job in the labour stream for life. There is no such thing as the acquired right to any particular job. There is movement in the labour force. After all, if the worker says that he or she has an acquired right to any particular job, then the employer in return may say there is also a required responsibility to furnish his or her labour in that particular industry. I am sure that not one person in this assembly would say that the worker should not be free, if he or she decides for one reason or another, capricious or otherwise, in a free country such as ours and indeed in a good part of the world, to withdraw their services and work elsewhere. There is a quid pro quo.

In the last five years in Canada, particularly in the furniture, textile and footwear industries in central Canada, this has become a problem although it may have been around a little longer than that. It is a particularly difficult situation in one industry towns as is the case in so much of rural Quebec and rural Ontario. A family business may have grown and been operated successfully, employing several hundred people. Then, for some reason or other, such as a change in technology or an obsolescent plant, the family-operated business is bought out by interests foreign to that community. This may just have meant a larger concern from elsewhere in Canada was buying up a branch in order to consolidate.

One of the reasons for the sale of family businesses in Quebec and Ontario was the almost predatory appetite of the provincial departments of finance to impose confiscatory death duties. There was no way that a family could face the death of the head of the family and the head of the business without having arranged the sale of the business beforehand in order to have the available cash to pay the death duties. The family

could not possibly arrange the financing. It sold to the highest bidder simply to put the principal owner of the industry in a position to deal with that day when the government's succession duty or estate duty people descended upon the family fortune. Therefore, we got these lay-offs.

• (1440)

Today the problem is much greater. We have announcements by Massey-Ferguson and the various automobile companies that they are laying off this or that number of employees. In many instances it is a permanent lay-off, not just a temporary reduction while liquidating inventory. It involves the closing of a plant.

How do we protect the workers in that situation? First, there must be between the federal and provincial governments some kind of retraining scheme made available to younger workers. Second, there should be the possibility of a transfer of workers to other plants or concerns in that industry. Third, with repetitive type of work which mechanization in industry has produced, you get premature aging manifested in many ways and encouragement toward earlier retirement of an individual.

It may be asked who is going to pay the cost. Let us look at society itself. I will use the example of a person who has reached age 55 and cannot work. The alternative to putting that person on a reasonable pension and keeping him or her in the home, true enough on a somewhat lesser scale than prior to the closure, unfortunately is simply to let that person fend for himself or herself until they fall on public assistance. Then the cost becomes entirely that of the public. The cost, not only financially but socially, of that person having been prematurely tossed on the scrapheap is far greater than arranging earlier retirement.

It is the same in business. An executive at the age of 60 may not be up to full production. He can cause more damage in either arriving at a decision or making a bad decision or decisions than what it would cost for that individual to retire early. He could be told that it is time he stepped aside, that someone younger and more able should take on the responsibility of the job. The company could tell him what they are prepared to pay him and the individual would have to arrange things beyond that. He could do something that interests him or something more in keeping with his diminished capabilities. It is a fact of life one has to meet.

When this bill was drafted, it was in the light of information on economic conditions that have long passed from viability. We said earlier that we would give this bill quick and enthusiastic passage. That is not so. My colleague, the hon. member for Rosedale (Mr. Crombie), indicated that conditions are such that during the past year this government has almost been mesmerized with patriation of the Constitution. There is no doubt that from October of last year until now this government has been preoccupied with non-economic conditions. The net result is that we have inflation running higher than ever, interest rates higher than ever before and 890,000 unemployed. This bill is a reflection of that limited thinking.

My colleagues and I want to see this bill receive close attention in committee. There are several members who wish to address remarks to it because they believe it is much more important than hitherto. Provincial governments will have to pay much greater attention to this problem. The Minister of Labour (Mr. Caccia), the Minister of Employment and Immigration (Mr. Axworthy) and the Minister of Industry, Trade and Commerce (Mr. Gray) will have to get together with their provincial counterparts to better plan for and provide training.

An hon. Member: Oh, oh!

Mr. Lambert: I heard that mechanical bellow from the hon. member for Regina West (Mr. Benjamin). It is amazing how there is always a knee-jerk reaction from that area.

Mr. Benjamin: It's socialism.

Mr. Lambert: We see socialism. We have the whole of the British automobile industry in a socialized enterprise going on strike because the workers want everything. They are not interested in the continuation of the industry. The industry is inefficient. We see more and more industries being run by labour or socialized which should never be socialized. The record speaks for itself. It stinks. We will just lay that canard to rest right away.

I want to propose better training. A short time ago we had an industry and management task force study the work force that will be required with the fantastic expansion of the electronics industry, with all communications carried out by computers. It was the unanimous conclusion that the present work force and the young work force involved in these communications will have to be retrained. We will have to have a revolution in training methods leading up to employment.

• (1450)

We will have to do the same thing with much of our conventional industry that must acquire recruits. Why is it that we cannot get any skilled tradesmen and craftsmen in Alberta for love nor money? Money cannot buy them. The training programs are such that young people who have not been motivated the right way are not prepared to spend their time learning a trade. People are not prepared to transfer from other parts of Canada in the large numbers that are needed. People own homes where they are and, if they move, to whom can they sell them?

There is definite immobility, except in the absolute socialist heaven where worker number one is moved to place number 101 and the worker who is at place 102 is moved back to being worker number two. Everyone becomes a tool of the state. That is true socialism. One cannot expect a person just to pick up and move today because there has to be a job at the end of the line. That is not enough. There are many other factors. But the error has been with our provincial departments of education both at the secondary and the advanced level. The department of manpower has to share the blame. Then, of course, there is the cockeyed unwillingness to admit that persons who have trained abroad will be as well trained as persons here.

There is difficulty in getting equivalent certificates, even between provinces. For instance, the bricklayer from Britain has a great deal of difficulty getting accreditation here in Canada. The carpenter from Austria or Germany is not admitted as a certified craftsman. Then there are the plasterers, the tile setters and all of those tradespeople who know that these trades were not developed here.

Therefore, these are artificial barriers to the movement of the trained personnel we need. All of this is part and parcel of the philosophy of this bill. To simply say that we will set up some sort of bureaucracy or compensation board with officials, and all that the individual worker will have to do is to make application in a certified industry, is not good enough. The worker is not protected if the industry is not a certified or designated industry. Perhaps there would be a provision that there shall be 50 persons laid off or 10 per cent, whichever is the lesser, but certainly there has to be a floor; otherwise a person who loses his or her job for one reason or another could go running to this compensation board and say: "Here, I have been laid off; I want the state to support, compensate or retrain me, but at public expense".

That should not be part of it at all. I suggest that the problem highlighted by the objective of this particular bill is contributed to by a number of causes. First is the improper training of our young work force. Second is the non-existence of facilities for retraining workers. Can those people who maintain they have some connection with the work force tell me which provinces have adequate training facilities for adult workers to retrain sufficiently to meet standards set up in other provinces, enabling the worker, either male or female, to get a job in a field where their labour is required?

How many provinces are set up that way? How many trade unions have participated in that type of planning? How many trade unions would permit the retraining and introduction of workers without insisting they go through an extensive apprenticeship program, apprenticeship programs open only to 16 or 17-year-olds? An area in which there is great difficulty today is the retraining of workers and an acceptance of retrained workers in new industries, particularly if they are organized from institutions such as the Alberta Vocational Retraining School. Why cannot these people be accepted as fully trained and accredited workers without going through prehistoric and impossible apprenticeship plans? Those are the problems we face.

What about those provinces which have sort of down-home legislation which says local workers only need apply. Whether trained or otherwise matters not. If there are not trained workers, it still does not matter. It is a dog in a manger situation. There should be the ability to move from one end of Canada to the other if one so desires. But that is not possible.

How many new industries would have been able to get started in this country without help from outside? What about the people from Saskatchewan who went to work in the Alberta oil industry, the Americans who came to Alberta when Canada did not have any oil workers of its own? What about pipeline welders? There was a time when there was not a welder in any province who could touch a pipeline. We talk about building pipelines here and there across the country. Most of the provinces do not have standards even for pipeline welders. That is how far behind in history the provinces are. They are behind in their planning, engaging in restrictive thinking all the time. At the same time these self-same provinces are the ones that impose restrictions on the movement of workers from other provinces who are qualified to do a particular job.

This bill is a palliative. It is the ultimate solution for those people who cannot be accommodated through retraining. I would much rather see a worker retrained and replaced in a productive job than become the subject of benefits under this particular bill. This may not meet the views of certain members, but Mr. Speaker, I come from an area where employers are denied workers. They advertise nationally and through the Canada Manpower employment service. There is absolutely zilch in return, or the few occupants are either has-been's, incompetents, rub-a-dubs or what have you who cannot hold the job or perform. Then when we want to get some people from the Orient or Europe who are qualified, we are told no, and it takes a year to process a worker coming from abroad. Those people are highly trained, often far better trained than our people. They are motivated and make responsible citizens. Gracious me, my grandparents, and possibly the grandparents of half the people now in this chamber, came to this country under similar circumstances.

• (1500)

To let somebody come into this country today from abroad is nonsense, according to the Department of Employment and Immigration as well as to a lot of other sectors. We have many people who are institutionally unemployed. This is built in through unemployment insurance, welfare and inadequate training. There is no possibility of employing them in the skilled trades where they are required. First, there are no schools for them to attend if they wanted to be retrained and, second, many would not want to move.

What happens? The employer in the area where the workers are required faces inadequate production with a resulting loss, and everything becomes more costly, yet there are thousands upon thousands of people who want to work if given a chance and if there were adequate training facilities for them. If that were the case, I think we could see some possibility of reaching the day when the Canadian work force could respond to our needs. According to the figures, there is a work force surplus of 890,000. That figure is artificially stimulated by other factors. Many of those people are not genuinely out of work, and there are hundreds of thousands of jobs available in the country. These people either cannot get to those jobs or they could not perform them even if they wanted to. That is one of the hard facts of life. It is regrettable that we have so many people who would like to work but cannot because they are not trained to do the work that is available.

We will hear much more discussion about this bill, and certainly this party will want to see substantial improvements in it in committee before it receives the approval of the House.

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I wish to take just a few moments, if I may, to address some comments on this bill. There are those who have spoken before me, the hon. member for Rosedale (Mr. Crombie), the hon. member for Winnipeg North (Mr. Orlikow), and the hon. member who spoke immediately before me, the hon. member for Edmonton West (Mr. Lambert), who would castigate this bill almost in its entirety. I have great difficulty in agreeing with them particularly as in my riding which is adjacent to the Windsor area which has enjoyed the designation spoken of, there are people who commute to Windsor to work there and who are currently enjoying the benefits of this particular measure. They come to see me and tell me that it is of definite benefit to them.

An hon. Member: Try that on in western Canada.

Mr. Daudlin: I suggest the hon. member should just listen a little longer. As beautiful as the rose may be, I suggest that it has a number of blemishes I would like to see removed.

The fact that geographic designation is permitted or required by this legislation and the ILAP legislation, in my view, builds in some structural difficulties that will have to be corrected. This is one of the reasons why I wanted to speak for a few minutes today.

I indicated that my riding is adjacent to the city of Windsor and its environs which enjoy designation. The fact is that by that designation some several millions of dollars can be made available to industries which want to relocate in the Windsor area, making work available for those persons who have been disrupted by reason of the automotive industry's downturn. The fact is that by geographic accident those communities which find themselves outside the designated areas and yet are providing work for people who have been laid off now find themselves competing for additional funding with which to attract new industry.

Let me give you an example. The town of Kingsville, located 35 kilometres outside the designated area of Windsor, has a number of parts industries located in it. They have suffered, as have many other small communities around the area, because of the loss of markets in the automotive industry, and many people have in fact been laid off. While the downturn was taking place, the mothers and fathers in the community, recognizing that something was coming in terms of the automotive industry, attempted to provide industrial parks. They brought people from abroad as well as from other parts of Canada attempting in this way to attract potential industry by communicating to them the benefits of locating in the town of Kingsville. They now find themselves competing with the industrial commission for Essex County and Windsor not on an even footing because an additional tool has been given to the designated community which they do not have. In my view that puts them at a disadvantage, and the minister will know I have attempted to make that point with him and his colleague, the Minister of Employment and Immigration (Mr. Axworthy), under whom ILAP comes.

Contrary to arguing, as those who have spoken before me have done, that the program is wrong and, because it does not do all things for all people, it should be thrown out, I would suggest that it needs modification to enlarge the designated areas or, at the very least, to include those persons working in a designated industry who find themselves dislocated, regardless of where they are located geographically.

We find that what results is a silly arrangement under which persons from the city of Toronto who, because they work in and choose to commute to Windsor, find themselves designated in the industry and entitled to the benefits. However, a person from my riding who attempts to find work next door in a related parts industry providing parts for the plant that has cut production in Windsor, and does not travel in order to cut back on his travelling costs, being only 35 kilometres from the downturned designated area, finds himself not designated and not entitled to these kinds of benefits.

• (1510)

I think the program is good but I think it is unfair when looked at in terms of those kinds of circumstances. What we have to do is to modify the program to take care of the circumstances I have talked of so that it follows more closely the spirit of this bill and removes some of the blemishes, as I described them, that I am able to perceive from having experienced them.

The principle is correct. Undoubtedly, we have many Canadians over the age of 55 who are working in a particular industry experiencing an economic downturn and who will never be able in practice to find other employment. I do not think there is any member in the House who would not want to assist those people. They are not the kind of people whom the hon. member for Edmonton West described as no-gooders, bums and what-have-you. These are people who have worked for 30 and 40 years only to find themselves caught in circumstances out of which they cannot extricate themselves. I would not expect the hon. member to suggest that people in those circumstances should not be given assistance. Indeed, I would hope that he would join me in saying that we should do as much as possible to assist them.

I believe that is what the minister is trying to do through this bill. All I am inviting the minister to do is to try to do a little more for those whom I have described to him, people who, because of the way the bill is drafted, are excluded from receiving any benefits under the provisions in this bill. If it can be done either here or at the committee, I will be overjoyed. If we cannot do it, I have used this opportunity to advise the minister that even if the rose is beautiful, there are some blemishes on it that we should try to clear up.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am pleased to have an opportunity to engage in this debate today although it is rather ironic that the government should

have chosen to bring forth this long overdue and much needed remedy to the problem now. It is a time when unemployment figures have reached a peak not exceeded since 1978. Again, almost a million Canadians are unemployed. Thirty-eight thousand more young people are unemployed in Canada this year than were a year ago. In light of the recent decisions by the Minister of Transport (Mr. Pepin), which are going to compound the problem of unemployment, some of the numbers we have seen reported by Statistics Canada perhaps include the 1,600 additional VIA Rail employees who are also going to be on the unemployment rolls in consequence of the minister's regrettable decision.

I want to talk about what it feels like to be living in one of the home towns in Canada where much heartbreak is being experienced—I am referring to home towns like McAdam Junction, Plaster Rock, Chipman, Lachute, Mont Laurier, Senneterre, Blue River, and Clearwater, perhaps places many of us have never heard of or visited, towns like Watrous, Melville, Unity, Wainwright, Havelock, Hornepayne and Drumheller which is my home town. Many people in those towns are heartbroken, and this feeling will come to a peak in about a week from now if the Minister of Transport succeeds in doing yet again what this government is so good at doing, which is destroying the employment opportunity in this country.

Mr. Pepin: How long is it since you used the train?

Mr. Siddon: Bill C-78 although needed, is inadequate, as pointed out this afternoon by other members. It is a reaction to a serious problem in Canada but it is not a solution. The problem has been made progressively worse during the past 18 months as we have waited patiently and persistently for the long-promised industrial policy of the Minister of Industry, Trade and Commerce (Mr. Gray). He has been promising this to the people of Canada for far too many months now.

The government seems far too successful in compounding this serious problem rather than resolving it. Although I am pleased to see the Minister of Transport in the House today, I would prefer if he were out talking to some of the people whom I intend to quote this afternoon. Some of these people are VIA employees, some make their living from the tourism business in the various small communities, the home towns of Canada which are in a way dependent on the railway system and the rail passenger system in particular.

The Minister of Transport has broken a trust with these people. They are now faced with the spectre of upheaval, displacement, disappointment, anxiety, anger and lack of direction. When a person, particularly after the age of 50, having given many years of his life to the service of his country, or a 63-year-old widow to whom I will refer again in a few moments, sees his or her life suddenly disrupted because of the actions of the minister, it gives them cause to be depressed, anxious, angry and disappointed.

I would like to tell the Minister of Transport what we heard when we were in Kamloops from a Mrs. Jane Lamont, a widow for several years now who is 63 years of age and is partly incapacitated due to a medical problem. She has been operating a little store along the CNR tracks in Blue River, some 200 miles north of Kamloops.

Mr. Pepin: I heard her on the radio.

Mr. Siddon: She makes her livelihood from that small store, Mr. Speaker. She asked those of us on the VIA Rail task force to carry a special message back to the Minister of Transport.

Mr. Pepin: I heard her on the radio. You do not have to.

Mr. Siddon: He may well have heard it. I hope he will hear it again.

Mrs. Lamont said very quietly, in an appeal to the compassion of the Minister of Transport, that she feels very humble—I am quoting Mrs. Lamont—in asking him to give her back something she needs. Mrs. Lamont takes in $200 or $300 a day from the passengers on the Supercontinental who get off the train in that small little station to buy candy or treats for their children, or perhaps a curio in her small store. One third of her business, which brings her only enough to make the difference between paying for the necessities of her life or not paying for them, is derived from the stops of that train. After next Sunday, Mr. Speaker, Mrs. Lamont will no longer have a business. All I can say to the Minister of Transport is, shame, shame.

Mr. St. Clair Hull spoke to our task force in Halifax. He is an employee of the railways and has worked hard for this country on both the Atlantic Limited and the Ocean.

[*Translation*]

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

The Acting Speaker (Mr. Ethier): The hon. Parliamentary Secretary rises on a point of order.

Mr. Yanakis: Mr. Speaker, I am under the impression that, departing from the custom of the House, the hon. member is not dealing with Bill C-78 which is now before the House. He is using his time criticizing VIA Rail, which has absolutely nothing to do with Bill C-78.

The Acting Speaker (Mr. Ethier): This is rather clear. The Chair was waiting to see whether the hon. member's remarks could in any way be connected with the bill under consideration; therefore I should invite the hon. member to limit his remarks to Bill C-78. The hon. member for Richmond-South Delta has the floor.

[*English*]

Mr. Siddon: Thank you, Mr. Speaker, for giving me the opportunity to speak. I think if we refer to the bill before us, Bill C-78, we will find that it deals with the means of assistance for people beyond the age of 50 who have made their careers in various ways in this country.

Mr. Pepin: It is not VIA Rail.

Mr. Siddon: It does not deal specifically with certain problems that I would wish to address at this time. If we look at Clause 10 of the—

Mr. Pepin: It is not the VIA Rail program. Thirty million dollars worth of it—

Mr. Siddon: I wish the Minister of Transport would withhold his comments until his opportunity to speak arrives.

Mr. Pepin: I wish he would speak on the subject.

Mr. Siddon: Clause 10 of this bill provides for special assistance for employees beyond the age of 50, provided they happen to be part of what is called a designated industry within a designated area of Canada.

I intend to deal with one area of Canada which should be designated under the provisions of this bill. That area is Jasper, Alberta. The tourist industry in Jasper, Alberta has been virtually decimated by the decisions the minister has taken, which will cost that community over $6 million in lost revenue. It will eliminate the possibility for at least 20,000 tourists from Japan alone coming to Canada to visit Jasper and our Rocky Mountains.

• (1520)

There are many aspects of this bill which pertain to the regrettable decisions the Minister of Transport has taken. I am dealing at this point with the needs of people beyond the age of 50 whose livelihoods may have been affected because of a decision taken by the Government of Canada which, if we look at Clause 3(2)(a) of the bill, may well result in a general and significant economic readjustment occurring in a particular industry, that being the tourist and railway industry, by reason of industrial restructuring implemented pursuant to a policy or program of the Government of Canada. To encourage such restructuring, this bill provides for remission. One of the points I am trying to make this afternoon is that if the Minister of Transport and the Government of Canada feel committed to the provisions of this bill, they had better start considering the need to extend these provisions to the massive unemployment their policies are producing in many industries, including the railway industry.

Mr. Pepin: Where have you been?

Mr. Siddon: I would like to return to the point I was raising before I was so rudely interrupted.

Mr. Pepin: Total ignorance.

Mr. Siddon: The point dealt with long-serving employees of the Canadian Railways who, I presume, would be eligible for the assistance and compensation set out in this bill.

Mr. St. Clair Hull, who worked on the Atlantic and the Ocean, says that the Minister of Transport is taking his livelihood away. Mr. St. Clair Hull was talking from his heart about his job, his future and his life. He was in the food and beverage business for 25 years and opted as a career choice some three years ago to work with VIA Rail as one of the new VIA employees. He wanted our task force to learn how the cutback decisions affected him as an individual, and this is quite pertinent to the bill because we are dealing with people beyond the age of 50 who suddenly find one morning when they wake up that they do not have a job. This gentleman says that it now takes an extra effort to go to work each morning. The morale is gone among VIA Rail employees. It is hard for him to smile at a customer and to feel, if he does smile, that it is genuine and comes from his heart. This gentleman said that the attitude taken by the government and the minister seems to be: "Well, we are okay; you are not okay; but so what, what can we do?" At the same time, he cannot understand why the Prime Minister (Mr. Trudeau) jets around the world and cabinet ministers jet to Winnipeg in three parallel flights while his job is being taken away by an action of the Minister of Transport.

This man said something else which reflects the serious sickness in our employment sector today and the reason why we have a lack of productivity in this country; that is, we think small in this country. We do not think big. He asked this rhetorical question: "How could we increase business in VIA Rail to make a net profit?" The answer was, by volume sales, by expanding business and by advertising and promoting, not by hiding it away from the people of Canada and trying to dismantle the system.

This gentleman, a VIA employee, also said that if the employees had the money VIA is paying the railways to grind their rails because of the excess wear and tear caused by unit trains, essentially a subsidy to the national railways and taking money out of the pockets of our people in tourism and working on the railways, that if the employees had some of that money the government is paying to the railways by paper passing—

[*Translation*]

Mr. Bujold: Mr. Speaker, I apologize for interrupting the debate a second time this afternoon, but I suggest my hon. colleague's remarks have nothing whatsoever to do with the bill which is before the House. I certainly do not see why he should waste the precious time of the House criticizing the VIA Rail scheme instead of dealing with this important piece of legislation. I submit, therefore, Mr. Speaker, that you should call the hon. member to order and restrict him to the point of the bill now before the House.

[*English*]

The Acting Speaker (Mr. Ethier): I am sure all hon. members understand that it is very difficult to follow the rules of relevancy unless we have the co-operation of all members of the House. A member might speak at quite some length and may not sound as if he were referring to the bill, and I think the most the Chair can do is to invite hon. members to observe the rules of relevancy. The rules I try to apply are hon. members' own rules. As I read it, the bill before us is to provide for the payment of benefits to laid-off employees and to amend the Canada Labour Code. I invite the hon. member for Richmond-South Delta (Mr. Siddon) to indicate to the

Chair how his remarks relate to the bill. That is all the Chair can do.

Mr. McGrath: Mr. Speaker, I rise on the same point of order. I do not have the pertinent Beauchesne citation before me, but if Your Honour refers to Beauchesne, I think you will find that under our rules, at second reading of a bill a member is entitled to speak about the principle of the bill and not its details. That gives him some considerable latitude and gives the Chair considerable latitude in interpreting the rule of relevancy.

The Acting Speaker (Mr. Ethier): The Chair did not stop the hon. member from speaking. I invited him to indicate to the Chair how his remarks relate to the bill. Even at second reading we do have to speak about the legislation before the House, so I invite the hon. member to do so.

Mr. Siddon: Mr. Speaker, I do not intend to apologize for the extent to which I am explaining the problems which confront the people of Canada who are going to lose their careers and their livelihood as a consequence of regrettable decisions taken by the Government of Canada. I have detected a strong sense of concern and anxiety, and perhaps even regret, on the part of hon. members opposite that I should have to rise today and use the time of my intervention dealing with a very important labour problem in this country.

I intend to continue, and I trust that the time taken by the two hon. members opposite who have interrupted my speech will be deducted from the time of their speeches and not from mine.

What I said at the beginning of my speech was that the provisions in Bill C-78 are but a reaction to a problem, and if we do not begin to address the causes of the problems which confront young Canadians, older Canadians, women and widows in their sixties, then I do not know what we are here to do in this House.

In Halifax, Nova Scotia we learned from the director of the Annapolis Basin Tourist Council that the Government of Canada has spent thousands of dollars through DREE grants to promote tourism in the Annapolis Royal area of western Nova Scotia. The government spent thousands of dollars to promote new tourist initiatives, including a series of bed and breakfast operations and circle tours which VIA Rail sponsored, and all that money will be wasted because of the dastardly decision of the Minister of Transport which will eliminate those ten tours and eliminate business opportunities for hundreds of people in the Annapolis Valley area of Nova Scotia.

We also learned, both in Atlantic Canada and western Canada, that the trains which are to be cut—the Transcontinental train, the Atlantic and the Ocean—are filled to capacity. We learned about 52 passengers being left on the platform in Montreal because the trains were inadequate this year. We learned from the chief ticket agent in Saint John, New Brunswick, that in every month but one of the past 12-month period the revenues paid to VIA Rail and the number of passengers carried have increased from the corresponding months of a year ago.

We learned from train porters that there are people sleeping on the floors, congestion getting to dining cars, people sleeping in the bar cars and an oversubscription of space on sleeping cars virtually every day during the summer months. We learned that Canadians will not be able to get space next year on the only remaining western transcontinental train because the government intends to cut if from 20 cars per train to 13. We learned that there will only be 50 sleeping cars available because much of the older rolling stock is to be cut up and scrapped, and I have yet to hear the minister deny that in this House. The minister has the gall to tell us, as he did during Question Period today, that the poor people who want to travel to Jasper, Alberta to continue to support the important economy there should go on the British Columbia railway, which does not even have any comfortable rolling stock for passengers, and the railway line is in serious need of repair. Or, the minister said, these passengers could travel on the Canadian, bearing in mind there will only be 13 cars and no sleeping car accommodation and travelling through the congested area—

The Acting Speaker (Mr. Ethier): Order, please. I understand very well the concern of the hon. member for the future of the employees concerned, but now he is dealing with passengers, and I do not think that relates to the bill. I invite the hon. member to address his remarks to the bill.

Mr. Siddon: Mr. Speaker, the point I am making is that there will be further unemployment next year because the minister does indeed intend to make it so difficult to travel on VIA Rail in western Canada that people will not bother to come. That is a very important point. We learned in Vancouver from several Japanese tourist organizers, that Japanese tourists to the tune of some 50,000 a year visit western Canada and that next year at least 20,000 tourists will not come to Canada. This is very relevant to the employment issue, Mr. Speaker, because those 20,000 Japanese tourists spend upwards of $40 million in Canada. Statistics Canada figures show that every one of them spent on the average at least $2,000 in Canada during their seven to ten days stay here. The spending of $40 million, Mr. Speaker, is directly related to the jobs of four to five thousand people in various travel industry-related businesses in western Canada. The minister has offered no form of compensation and has given no consideration to the impact of this decision on those businesses.

● (1530)

Over 1.1 million jobs in Canada are associated with the tourism industry. As a result of the VIA Rail cutbacks, at least 6,000 of those jobs will be lost. We may only assume that some 2 to 3 per cent of the tourists who travel in this country travel by train, and indeed they do, Mr. Speaker. In travel associated businesses, 6,000 of those jobs will be lost. It is not merely a matter of some 1,600 direct employees of VIA Rail who will be affected, Mr. Speaker. There will be a loss of $6 million to Jasper, Alberta, and $40 million in Japanese tourism spending alone, and almost $100 million in total tourism spending in

this country. At an average salary of $20,000, the loss amounts to 5,000 jobs. We cannot ignore that in this House because the statistics that will appear in the year-end returns a year from now will indicate that the government will have to provide for additional unemployed people. In fact, the minister already brags about his $30 million labour assistance program, Mr. Speaker. He will give back $30 million to take these 50 and 55-year-old trainmen and railway employees and put them out to pasture, when they would prefer to be working in the job they have known as a career for as long as many of them can remember.

What I have presented to the House today, Mr. Speaker, is relevant indeed. When we peruse the provisions of Bill C-78 and we learn that the minister, by order in council, will be able to declare certain areas as designated areas, certain industries as designated industries, then I find it regrettable that he has not chosen, in the expectation that this bill will pass, to meet and discuss with the Minister of Industry, Trade and Commerce, the need to study this problem of an adverse impact on those people who make their livelihood in the tourism industry or to provide some means of remission, whether it be by the provisions of this bill or by some other means. I am talking about the four rental car operators in Jasper, Alberta, three of whom will not be in business next year. I am also referring to those who work in hotels and restaurants and promote ski package tours, and the people who operate fishing camps, people who operate the whole myriad of services to tourists in this country. They are totally ignored and disregarded.

I see the Minister of Transport has left. Perhaps the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) will listen because I challenge the minister to tell this House to what extent he will provide for people like Mrs. June Lamont, a 63-year-old widow, and hundreds of other heartbroken people living in the small towns across Canada who will wake up after next weekend to find themselves unemployed.

Mr. Stanley Hudecki (Hamilton West): Mr. Speaker, I am particularly pleased to speak in support of Bill C-78 because I think it is an innovative and sensitive bill. The bill focuses on a group of people who are forgotten in this particular era. The people affected are between the ages of 54 and 65. Having worked with these people and having been responsible for the care of many of the workmen in this particular age group, I have found them to be a very special and vulnerable group at work and in society. They are people who have committed themselves to long hours of work and who have done so with great expertise and dedication. But in that particular period of their lives, age creeps up quietly upon them. It does it in a way that is difficult to perceive. It is difficult to attribute a certain weakness of health that goes with advancing years to any illness. This is something that is inherited and that deteriorates and makes their bodies more vulnerable to the work they do. There are no set rules or any real understanding of that process. It is a process that is present in each and every one of us and that manifests itself very insidiously and in a way that is difficult to attribute to any particular factor. Often these same people do repetitive work. They perform work that appears not to be traumatic or that would ordinarily cause any defects or trauma to the body. But regardless of what work you perform, if you do it repetitively and continuously over a long period of time, evidence of some wear and tear and deterioration starts to appear. I am sure if we were to study the vocal chords of a good percentage of the hon. members, we would find very definite changes. If we were to study another part of their anatomy, we would find that prolonged sitting has an effect on the vascular system in that particular part of their bodies. This happens to every individual who does repetitive work.

These changes, that are so difficult to identify readily, lead to some deterioration in the physical fitness of that person, so that he is no longer able to compete in his work world with younger people. In time these people imperceptibly become disabled—although they are not ready to admit it—but they cannot submit claims to the Workmen's Compensation Board. As a result of their dedication over the years, they have reached the stage where they can no longer compete with the industrial world.

I feel this bill is focused on that particular group of people. It is one of the first pieces of legislation where attention has been directed to them and their plight understood.

I agree with the hon. member for Edmonton West (Mr. Lambert) who indicated that many of these people should not be considered as requiring benefits, but provision should be made to retrain them in other aspects of the work. Their expertise should be utilized in apprenticeship programs. They could be a model to young workmen. A concentrated effort to use their talents should be made.

The hon. member for Rosedale (Mr. Crombie) remarked on the use of robots. Again I see no real criticism of that. Time and again robots and machinery of that sort are used in areas that are unliveable, areas where people would have to work under conditions where there is a high concentration of chemicals and where repetitive activity adds to the rapid deterioration of certain tissues. I think robots fulfil the need in that particular field. It must be remembered that working with robots requires the acquisition of new skills for the new technology. The maintenance of these structures come into play. If they were utilized intelligently and prudently, they would add to the safety and comfort of the worker. But again a price must be paid, and that price is that some jobs will be lost in a particular way.

● (1540)

I want to conclude by referring to a statement which was once made by the Prime Minister (Mr. Trudeau) in which he indicated that the Liberal government does not worship either productivity or growth; it works for the people. I believe this bill is eminently consistent with that philosophy.

Some hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it was interesting to listen to the Prime Minister's (Mr. Trudeau) remark that the Liberal Party works for the people. Having

two years of experience in the House, I can certainly attest to the fact that the Liberal Party speaks about people and acts as if it cared about people, but when it comes down to the practical crunch of what it does for people, I have to conclude that it does more to harm people than it does to help them. Of that I am absolutely convinced.

I stood in the House earlier today during question period. I think my question was relevant to the bill before us. This piece of legislation proposed by the Minister of Labour (Mr. Caccia) is supposed to help Canadians who are laid off. Perhaps it behooves us to identify these Canadians. To a large extent they are men or women who have provided loyal, productive service to an employer for an extended period of time. I told the Minister of Industry, Trade and Commerce (Mr. Gray), who is a supporter of the high interest policy which is producing these lay-offs, that scientific evidence indicates clearly and unequivocally that when unemployment rates increase, the number of people who will suffer ill health increases. He stood up and said that it was nonsense. That told me something about the state of knowledge and the state of caring in the Department of Industry, Trade and Commerce and in the cabinet generally. They say one thing and do another.

When I asked the minister the question, I had in my hand a study by Professor Brenner from Sir Johns Hopkins University. The figures presented by Dr. Brenner suggest that when there is a 1.4 per cent increase in the unemployment rate, social and health consequences follow. Coincidentally, this 1.4 per cent is very close to the increase in the unemployment rate in the last 60 days. It does not include the lay-offs announced this week, last week and the week before; they were massive. We will be looking at a 9 per cent unemployment rate when the next set of figures comes out. It will amount to well over one million Canadians, and there will be consequences.

I should like to read some figures into the record. Suicide is predicted to rise 5.7 per cent with a one per cent increase in the unemployment rate. Instead of 100 people committing suicide this month in Canadian cities, it will be 106. There will be something like an 8 per cent increase in the homicide rate, an 8 per cent increase in the number of people who will be murdered because of the increase in unemployment in the last 60 days. Last November, almost a year ago, some figures were provided by the Canadian Council on Social Development to all members of the House, including the Minister of Industry, Trade and Commerce. They indicated that somewhere between 9,000 and 10,000 people in the coming 12 months will die because of the increase in unemployment. When one has devoted a significant chunk of one's life to productive service to an employer for the production of goods and services which we all need and value, and suddenly society says, "You are laid off; you are no longer useful", it throws the individual and his family into a crisis. It is the kind of crisis people find very difficult to deal with. They bottle up their feelings, they do various things with them, but the consequence is scientifically demonstrated to be an increased need for things like health care funding. The budget of the Minister of Finance (Mr. MacEachen) of a year ago indicated that he intended to cut out $1,500 million worth of social spending related to hospitals, medical care and retraining for people who are laid off. We have a policy which is throwing people out of work. Yet it is accompanied by a policy in which health care funding will not be increased but will be decreased. They will throw people out of work, they will give them heart attacks, but there will be no available hospital beds. This is the reality of Liberal policy. It is a translation of highfaluting statements about a just society and caring about people.

Mr. Caccia: Nonsense, sheer nonsense!

Mr. Hawkes: We must look at the consequences of the policies we pass in the House. I am being heckled by hon. members opposite who have stood for one year in the House and told us how wonderful the Constitution was. Two days ago it was turned over back to front to do exactly what we said it should do. Now they will stand up to tell us that black is white and it is still wonderful. We are supposed to find the heckling credible, we are supposed to find the support for legislation credible, but it is incredible that they stand and say that black is white. They stand up and vote when black turns into white or white turns into black and do not even blush about it. There are social consequences to every piece of legislation passed in the House. We should examine the reality of the consequences of this policy.

Earlier in the House today we had an argument about NDP philosophy, Liberal philosophy, Conservative philosophy and their impact on people. One fact that is related to the economy, to the issues of lay-offs and of productivity, is that if the current one million unemployed people could be employed in the production of goods and services, there would be adequate money for elected members to give to the people who really need it. Every member of the House should have received and should have read the article of last November by the Canadian Council on Social Development. Appendix I compared the amounts of social assistance available province by province. Out west there are two provinces side by side, Alberta and Saskatchewan. They have tremendous resources. Saskatchewan has oil, potash and farmland. The people of Saskatchewan are fortunate, but they have selected CCF and NDP governments over an extended period of time. The people of Alberta have selected governments that knew one simple truth, that if you do not create any wealth, then you cannot share anything. The easiest thing to divide is nothing; all of us can have a share of that!

• (1550)

Some hon. Members: Hear, hear!

Mr. Hawkes: In the year 1979-80 a family of four on welfare or a family in trouble that needed help from society received $6,700 in the province of Saskatchewan. This was the product of NDP and CCF management over a period of time. In the province of Alberta, a family of four would have received $10,500, almost 50 per cent more because it has a long history of selected governments that understood that

when you create wealth, you have something to share with the unfortunate people in society. You just do not talk about it a great deal; indeed, you do not have to talk about it because you can do it.

If any member of this House were faced with the prospect of a lay-off, or an extended period of drawing unemployment insurance—and most members of this House have never been in that position—he could ask himself what comfort glowing phrases and lovely words are when his kids are hungry or he cannot afford to let them go to the skating rink, when his wife is worried or when he seeks to escape his problems with a bottle. That is a consequence for the one million Canadians who are unemployed today. That is a potential consequence for the several thousand people who have been laid off in this country this week, last week and the week before that.

When I examine this piece of legislation, I cannot get rid of the image of the Minister of Industry, Trade and Commerce standing in this House earlier today. When I asked him what he was going to do about the health victim that the government's economic policy is creating, he laughed. Many members of his party laughed as well. They seemed to say, "It is not a serious problem. We don't care about the health victim of economic policy. That is nonsense." "That is nonsense," the minister said. It is not nonsense, Mr. Speaker. It is a scientific fact. The scientific fact translates into real people, people who are having those heart attacks, those marital breakdowns, people who are going to jail because their way out of distress is to do something illegal. Those are the real consequences of the kind of economic policy that we have had for far too long in this country.

Do hon. members opposite not care? I find that hard to believe. I meet those hon. members in the halls and I know that many of them do care, but far too often they do what they are told instead of what is right. Far too often they are not encouraged to look at the words and the consequences of those words.

I skimmed through this bill earlier today, Mr. Speaker. Perhaps after two years I am becoming sensitive to certain themes. Those themes run through bill after bill that we consider in this House. I find them disturbing and not in the best interests of Canadians and Canadian society.

One theme which runs through almost every bill brought forward by cabinet to this House is that we will have some kind of board or commission. Two things are wrong with a board or commission, Mr. Speaker. The first is that the minister appoints the people who will serve on it, and the second is that the minister and the cabinet determine the amount of money the members should be paid. Just once I should like to see a piece of legislation come into this House which would provide for the appointment of a board or commission but would stipulate that the appropriate standing committee of this House would conduct a public inquiry into the background and competence of the people to be appointed, and that Parliament would control the amount of money to be paid for their services. If that were done then we, the elected representatives of the people sent to this chamber, could be helpful in screening appointments to make sure that the people selected to serve on a board or commission had the background, the value systems and the professional credentials adequate for the job.

That kind of principle has never been contained in a piece of legislation brought forward by the cabinet to this House in the two years that I have been here. Instead, the minister shall decide who shall serve and the minister shall decide how much they shall be paid.

We are often amazed when we see the names published in *The Canada Gazette*. Regardless of the board, or commission the members are frequently defeated Liberal candidates or Liberal campaign managers. It is as if performance in that one function, serving the Liberal Party of Canada, were the primary and only qualification required to make the kinds of decisions about people's lives that the board or commission provided for in Bill C-78 is going to be asked to make.

This commission will be asked to sit in judgment on individual Canadians. If you are laid off, then you will have to be in a designated industry or a designated region before you are eligible to apply for benefits. That designation comes, basically, from cabinet. If you live in a Liberal cabinet minister's riding, then you are more likely to be designated than if you do not. Everybody's tax dollars are involved but people are not treated equally from coast to coast. Whether you are deemed eligible will depend upon where you live. The cabinet minister's campaign manager will probably be head of the board, and you will have to provide that person with any piece of information requested. There will be no secrecy or no concern for your rights. The board can compel you to give information. Then that person may sit in judgment, and you will get your $100 or $150 per week or you will not. One person will and the other person will not.

Is that the kind of system that we as Members of Parliament believe to be in the best interest of Canadians?

[*Translation*]

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

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Mr. Speaker, I rise on a point of order. The President of the Privy Council (Mr. Pinard) indicated earlier today in a conversation with me that at this hour he might be prepared to announce the House business for next week.

Mr. Pinard: Yes, Mr. Speaker, but before going into the details of the business for next week I want to say that I have consulted with my colleagues on the other side. It seems that

there would be unanimous agreement to the following House order relating to Remembrance Day. We all know that under the Standing Orders, the House shall not sit on next Wednesday, November 11. However, we had discussions on the floor of the House, and meetings outside this House about what to do on the evening of Remembrance Day and the following day. We have come to the following agreement. I ask you, Mr. Speaker, to seek unanimous consent for the adoption of the following House order:

● (1600)

That the House shall adjourn at 6 p.m. on November 9, 1981, and shall stand adjourned until November 12, 1981, at 8 p.m. at which time the only business to be taken up shall be Government Orders.

The Acting Speaker (Mr. Ethier): Hon. members have heard the request of the President of the Privy Council (Mr. Pinard). Is there unanimous consent?

Mr. Nielsen: Yes, Mr. Speaker. That is an accurate description of the bare bones of the discussions. Although I will have to stay here, not being able to get home for Remembrance Day, we give our consent.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

Mr. Nielsen: Mr. Speaker, I think the President of the Privy Council (Mr. Pinard) is going to go on to outline the business for next week.

Mr. Pinard: Yes, Mr. Speaker. I might just make a slight correction to which, I think, everyone will agree. By inadvertence I said the House would not sit on November 9. That should have been November 10. It was an obvious error. Otherwise my colleague would not have said he would not be able to go to his constituency. Therefore, I ask for unanimous consent that in that House order we replace the date of November 9 with November 10.

Mr. Nielsen: I was hoping he would not spot that, Mr. Speaker. I understood what he meant when he discussed that with me. He can be forgiven since I missed Motion No. 10 in the fourth category last night.

The Acting Speaker (Mr. Ethier): The correction will be entered.

[*Translation*]

Mr. Pinard: I am sorry to interrupt the hon. member for Vaudreuil (Mr. Herbert).

As I understand it, Mr. Speaker, the House will adjourn on Tuesday the 10th at six o'clock until eight o'clock on Thursday the 12th. As concerns House business for Monday, we shall proceed to the third reading of Bill C-48 concerning oil and gas, which we hope to be able to conclude on Monday, and if this cannot be done, we shall try to get third reading on Tuesday afternoon before the House adjourns at six o'clock. Next Thursday evening, the budget will be brought down. We have not yet determined what the order of business will be on the following Friday, but I have indicated to my colleagues that early next week, before the House adjourns at six o'clock on Tuesday, I should be able to confirm whether we shall have the first two days of the budget debate on Friday the 13th and the following Monday. What I can say for the moment, is that the third reading of Bill C-48 is scheduled for Monday and also Tuesday, if required, and the budget speech for Thursday evening.

[*English*]

Mr. Nielsen: Mr. Speaker, I believe the President of the Privy Council (Mr. Pinard) indicated that he would confirm the first and second days of the budget debate prior to the adjournment on Tuesday, November 10.

Mr. Pinard: That is correct, Mr. Speaker.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Public bills Nos. 18 to 71 inclusive allowed to stand by unanimous consent.

Mr. Herbert: Mr. Speaker, I rise on a point of order. I will be brief because I do not want to delay the important matter to be debated by the hon. member for Edmonton West (Mr. Lambert). It is simply that the order of business follows the order for private members' hour as listed on the Order Paper. Prior to the bill which is to be debated this afternoon by the hon. member for Edmonton West, there are seven bills for which it says "Text received", and therefore not printed, not in the members' hands. Those bills, therefore, cannot be stood because they are not available for second reading. Therefore, I suggest they should eventually be removed from the Order Paper. You might like to take that under advisement, Mr. Speaker.

The Acting Speaker (Mr. Ethier): As the hon. member has requested, the point will be taken under advisement.

* * *

HOUSE OF COMMONS ACT

INCREASE IN NUMBER OF INTERNAL ECONOMY COMMISSIONERS

Hon. Marcel Lambert (Edmonton West) moved that Bill C-273, An Act to amend the House of Commons Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, first may I say that this bill has been before the House on a number of occasions in the past. I have been the sponsor in its present form. Other motions have been made in past years concerning the Commissioners of Internal Economy. I have moved in a period of transition with this bill. If hon. members have any idea of the management, administration of the management and provision for members' services in this House, they will fully understand my motivation in putting forward this bill.

I want to make it patently clear that putting forward this bill, which ultimately has the Speaker delegate the Speaker's powers with regard to the administration of the Chamber, is absolutely no reflection upon the present or any previous incumbent of the Chair. It is a matter of principle. I have nurtured it ever since I was Speaker. In those years of many years ago, there was only one fifth or one sixth of the number of employees now on the strength of the House of Commons.

What I intend through this bill is that all matters of administration of this House be delegated to a committee of five commissioners. The number of commissioners would be expanded by one. The commissioners would come from the House generally and not be limited artificially, as they have been hitherto for some 114 years, to active members of the cabinet.

A few years ago, the Standing Committee on Miscellaneous Estimates, as a result of a casting vote by one of your colleagues now in the chair, decided I was wrong in saying that commissioners could be members of the Privy Council wherever they sat in the House. All good authority was on my side, but the politics of the situation at that time was such that they could not agree with me. Be that as it may, what came out of those committee hearings was an advisory committee on management and members' services. That was only a small step forward. This House is governed by a system that is an anachronism in legislatures around the world as we know them.

It is my humble submission that the Speaker, in addition to being the official host on behalf of the House of Commons, has more than enough work for any super competent person. The role of the Speaker should be limited directly to this chamber and to that which is appurtenant to it, such as *Hansard* and the committees. In my view, we should not, as the present management committee has decided to do, hive off *Hansard*, the committees branch, and the clerks under the Administrator. I think that is a shocking decision. I have said so publicly, and I repeat it publicly.

● (1610)

As I said, my bill would amend the House of Commons Act by naming a fifth commissioner, a person who, like the others, need not be a member of the cabinet. He or she could be an active member of the cabinet. As a formula I would suggest that one of the ministers of state, perhaps a junior minister, could be named a commissioner and that person designated as the chairman of the Board of Internal Economy. The bill would provide, if the government and possibly the majority of the House saw fit, for a representative on the board who had a direct link with the cabinet. We are practical people. I think it is good in that way to have somebody who can act as liaison with the cabinet.

The position of the Speaker as a commissioner is not abolished by the bill. The Speaker by my bill delegates his or her powers to one of the other persons, who is to be chairman of the committee. It is a formula, but in principle it seems to me that we still have to have the Speaker as head of the House of Commons. Even though the Speaker is head, it does not mean that his or her powers cannot be delegated. This delegation of power takes place at Westminster.

It was a strange thing but until a few years ago the monarch, either the king or the queen, was actually the head of the palace of Westminster. The powers of management and so forth were exercised on behalf of the monarch through the Speaker. That power was turned over from the monarch to the Speaker, and now the Speaker in turn has delegated many of the Chair's powers, or obligations, to members of the management committee. The Speaker can still participate because the Speaker has not yielded his or her position as a commissioner.

With regard to the administration of this chamber, I would say that there are now about 3,200 or 3,300 employees who come under the direct umbrella of the jurisdiction of the Speaker. The organization is now much more complex. When I was Speaker 20-odd years ago—and one hates to refer to a time that long ago—there was one building under the Speaker's jurisdiction, with a second one coming on strength. The West Block came on strength shortly after I yielded office to my successor, Speaker MacNaughton. Now the West Block, the East Block, the Confederation building and the Wellington building are all under the aegis of the Speaker. There are many ancillary areas which, as one who served as a Speaker, I feel take up far too much time and energy of the Speaker today. I refer specifically to this sapping administration. Even with the best will in the world and with competent officials to assist the Chair in the discharge of those duties, too much time and energy is demanded of the Chair, to the detriment of the discharge of the actual duties of the Chair.

There is one point on which I will be critical. I do not think the Speaker occupies the chair enough. The position of presiding officer is, immediately after question period, turned over to a series of assistants or deputies. The Speaker returns to the chair only to preside over formal votes. I suppose the Speaker would have to come back into the chamber if there were an appeal from one of the assistant Speakers.

It is my view that the Speaker should be in the chair much more often. I think the four assistants who normally occupy the Chair are involved in a further anachronism. They preside at all second reading debates, all report stage debates and all third reading debates. When a bill comes to a vote, the Speaker is in the chair. However, these assistants or deputies after having exercised the role of a presiding officer immediately turn around to vote. In my opinion, that is totally wrong. The Speaker is precluded by the rules from voting except in the case of a tied vote. There is no question about the fairness

of a member of this House occupying the position of the Chair, but the rules say that that person shall not be entitled to vote. Nothing is said about the deputy chairmen, deputy or assistant speakers. They may profess to be the most fair-minded people in the world, but why are they not treated the same as the Speaker and not allowed to vote? But then we would hear the cry that far too many people from the government side could not vote. But why not follow what the Mother of Parliaments does? Deputy speakers are chosen equally from either side of the House.

All the brains are not located on the government side of the House. The same goes for the presiding officers of the House. Therefore if we followed the practice of Westminster, we would have a better balance. With my bill, I am not only getting a better balance in the administration of the House by naming people to the commission who are closer to members because cabinet ministers who are commissioners are busy men. It is very difficult to get them into meetings. At the present time I understand they have meetings at least once in three weeks. I have known the situation to go four or five months before the Speaker could dragoon those cabinet ministers together at one time over lunch. Those commissioners who came to decisions received their advice and instruction from the Speaker.

I can assure you, as an original member of the Standing Committee on Management and Members' Services, that that practice is most frustrating, and it is wrong in form. The chairman of that committee should be along as an adviser, but he is never invited to these meetings. I think he should be. The services and the management of this House are for the members. The four commissioners as provided for in the House of Commons Act is an anachronism from 1867. They were the only Members of Parliament who remained most of the time in Ottawa. At one time members sat in this House for very short periods. Today we have a year round operation and there is no reason in the world why a senior member of the New Democratic Party, senior members of the two major parties should not be commissioners. It should not necessarily be done on the basis of party strength. There are men with greater knowledge and ability who could be administering services here, negotiating with staffs and arranging for clearances of grievances and all that sort of thing, which should be in the hands of this committee of members, numbering either five or seven.

● (1620)

The ultimate purpose of my bill is that the administration of this House shall effectively be in the hands of the members of this House and not in the hands of absentee landlords such as the Commissioners of Internal Economy are, commissioners with whom ordinary members have no direct contact except by buttonholing them, and that is the wrong type of influence.

I invite hon. members to examine my proposal and I would hope to see the bill, or the subject matter if so desired, sent to the appropriate committee so that we can take a look to see if we can design a formula which I in my experience of over 25 years in this House feel would be far more preferable for members than is the present system, even though the function is being discharged by people of the greatest goodwill. The system and the format works against them. I would suggest that my bill be accepted, read the second time and sent to the committee at five o'clock this afternoon.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I am happy this afternoon to have an opportunity to participate in this debate. First, I want to congratulate the hon. member for bringing forth this private member's bill. I certainly believe it to be a step in the right direction and I too hope it will go to the committee to be discussed in more detail, with hopefully some form of it being enacted by this Parliament.

We are elected to this House of Commons, just as any minister who sits in this place is elected, with the same rights and privileges, we are told, and with the same responsibilities to our constituencies. It is true that a minister may have a larger constituency than individual backbench members, as they are called, but I submit that we are also told we have a duty to the country. I do not think anybody would suggest other than that each elected member of this chamber has a duty to the country as a whole. If we are responsible enough to be elected by our constituents, just as are the ministers, then I see no reason that backbench members of this House should not sit on the Board of Commissioners of Internal Economy.

I am not even sure, however, that the hon. member is going far enough in his proposal to change the Board of Commissioners. I am not sure that that Board of Commissioners should not be abolished altogether and the role taken over by what is now called the Advisory Committee on Management and Members' Services.

If I may, staying within the principles of the bill, talk for a minute about committees, I would like to do so. It would do little good, I suspect, to abolish the Board of Commissioners and replace it by a committee structured as is the present Committee on Management and Members' Services, or almost any of the other standing committees of the House. The committees of this House are too big and unwieldy. They have no real power, as they should. They have the opportunity generally to react to something that is already government policy. They have no policy input, as they should. In order to accomplish that, it seems to me those committees must be made much smaller than they are today.

If we had a Management and Members' Services Committee consisting of seven members of this House, elected on a pro rata basis among the parties, without suggesting that any party should have to split a member in order to have exact representation, I think such a committee could function well, not only in the interests of the economy of the House of Commons and the Parliament of Canada, but as well in the interests of the real needs of members representing their constituents and carrying out their legislative work here in the House of Commons.

The time has come when backbench Members of Parliament must not only have and take but must demand a much larger

role in policy formulation. With the evolution of society and the complexity of modern social, economic and other problems, the administration of government has grown much faster than the House of Commons, much faster than the Parliament of Canada. I am not advocating that this House should grow much larger, but I am advocating that the members who sit in this place should have a great deal more to say than they now have about what happens here, and that means a very drastic change in the Standing Orders of this House.

This is one of the things for which I have been agitating since the end of my first year here. It is one of the things we are promised with every new session of Parliament, but it is one of the things that has never been accomplished. It is my hope, and I have some faith that it will be fulfilled, that in the next session of Parliament we will take a comprehensive look at the Standing Orders of this House. I suggest that when that is done we should also take a comprehensive look at how this place itself is managed.

One of the subclauses of this bill suggests that the Speaker have the power to delegate any or all of his or her administrative powers to the commissioners. I have some difficulty with that. I believe we must always retain the Speaker of this House as the guardian, the protector and the ensurer of the rights and privileges of the members. The Speaker of this House is not above the other members of this House; the Speaker of this House is the first among us, and in fact in this House no member should be above any other. However, the Speaker must be responsible, in the final analysis, for the administration of the Parliament of Canada and for the protection of the rights and privileges of its members. If the Speaker is to delegate all of his or her authority, I have some difficulty in determining how the Speaker is to fulfil that role. That is a role I do not want to see taken from the Speaker.

We have many problems in this House. We have a problem as a result of every member being treated as though he or she represented an urban riding. It is obvious that the needs of members representing rural ridings may be quite different from the needs of members representing urban ridings. When I talk about needs I am talking about the necessity for staff here and for staff for constituency offices. The manner of staffing those offices may be very different in rural areas and in urban areas. I have a riding, for instance, which covers some 5,500 square miles. It is about 150 miles in length. Obviously that is quite different from the riding of Spadina, for instance, or Edmonton West.

● (1630)

Mr. Wilson: What happened in Spadina?

Mr. Dionne (Northumberland-Miramichi): The people made a choice in Spadina, and I have no argument with that. That is the basis of our democratic system.

I am afraid the basis of our democratic system is not always adhered to in this place. I think, for instance, of question period. It is virtually impossible for a backbench member on the government side of the House to get a question during question period. Members are not always equal in this place. I understand there are quotas, and I do not blame the Speaker for that. Those are conventions which have grown in this place over the years. They are conventions which I believe are dangerous to basic democracy.

As I said earlier in my remarks, each of us has the same responsibility toward those who elect us. I have a great deal of difficulty in trying to justify to my constituents that I have not the same right and the same opportunities in this place to ask a question as does the hon. member for Edmonton West (Mr. Lambert), for example. He just happens to sit on the other side of the House. It seems a very serious disadvantage to me when compared to the other members in the House. I want to reiterate that I do not blame any individual, only the fact that over the years conventions seem to have become regulations or rules, and I do not think that is right.

The hon. member for Edmonton West said we are governed here by a system that is an anachronism. I agree with him. In fact, I am beginning to believe that this whole place is an anachronism. The rules, our Standing Orders, are an anachronism, and it is high time the rules of this place were brought into the twentieth century. It is high time we had a legislative calendar such as the legislative bodies in other democratic countries have. It is high time we stopped sitting during the kind of nonsensical hours we do. We should have a reasonable schedule so we can plan our work and have sufficient time in our offices to deal with our constituency problems.

Much of the debate that goes on in this House, Mr. Speaker, is quite useless. It accomplishes nothing.

If committees were restructured and reduced in size to a maximum of 11 members and if the membership on those committees were made nearly permanent so that members do not play musical chairs in committee, we would be able to do very meaningful work there.

The government of the day should be willing to refer to committees substantive matters in the form of proposals rather than policies so those people who are formulating a particular policy can be called before a committee to justify the choices they might put before a minister. This should not be done when these policies have been carved in stone and have become pieces of granite which are known around here as bills. It becomes virtually impossible to change a policy once it is written in a bill and presented to the House. Unfortunately, that is about the only time it is referred to a committee, after it has been presented to this House as something which is already untouchable.

The voting system in this House is another anachronism. My colleague, the hon. member for Sarnia (Mr. Cullen), brought this up earlier today during question period. I heartily endorse what he said. It would be a little nostalgic but there is something to be said, of course, for members having to stand in their place and vote because each member is standing up and accounting himself to the people who elected him. However, Mr. Speaker, when we have a situation such as we had last night where even when the votes had been grouped we had very repetitive actions taking place in this House, it is of no

value to our society or democracy. There is no longer any justification for Members of Parliament, who have finally reached the point where they are getting paid a reasonable salary for the work they do, spending their time jumping up and down in the House like jacks-in-the-box to record their vote. There is a better way, and it is not beyond the ingenuity of mankind to make that possible in this chamber. It is time it was done.

I would like to see a body of some kind, which is responsible to the members of this House, which would administer this place under the direction of the Speaker.

I have seen, in the short time I have been here, the evolution of the administration of this place to a point which I do not like very much. I do not wish anybody to confuse what I am about to say with personalities. I am talking about the structure and not about individuals. We have a position now, Mr. Speaker, in our House of Commons known as that of the Administrator. My recollection of the Senate and House of Commons Act is that it says that this place will be administered by the Speaker and that the Speaker can delegate authority to the Clerk and to the Sergeant-at-Arms. I have no recollection of this act ever being amended to include the position of Administrator. I am concerned at the growth of bureaucracy in this institution. I am concerned that the real authority, the real responsibility and the accountability for the administration of this place is going to fall into the hands, if it has not already done so, of non-elected people. That, in my opinion, is wrong.

I, for one, am going to insist that not only the government, but all members, continue to agitate, continue to insist that every member of this House, whether or not he is a Privy Councillor, is treated the same. All Members of Parliament should have access to government proposals, to government documents that are not already cast in stone, as I said earlier. I will insist, and I hope other members will, that the committee structure of this House be changed and that committees be made meaningful bodies of this House. They should have some authority, and if they do not, we are all wasting our time.

I am prepared, Mr. Speaker, to let the committee do its work for about one more year and if by that time nothing happens, if there are no changes, I will no longer attend it. I am not going to waste my time going through the farce that most standing committees are today.

I support the basic thrust of this bill and I hope it will go to committee so that it can study it and, hopefully, improve upon it and make some suggestions for reform of not only the administration of the House but of the structure of the organs of this House known as the standing committees so that the role of the Member of Parliament will have some meaning in this place.

● (1640)

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, one of the most disturbing aspects of the Canadian parliamentary system which is of course based on the British parliamentary system, is the extremely fuzzy line that separates the executive and legislative functions of the government. This is, of course, best illustrated by the fact that, strangely enough, both legislators and ministers sit in the House. I know that a long tradition has led to this anachronism, where in the House, for all practical purposes, the legislative and executive functions are mixed, and I am also aware that many of our constraints, such as the constraints of parties and the constraints of the government's collective responsibility are self-imposed, and that we are now in a situation where it is becoming increasingly difficult for members to show their independence. There are of course mechanisms outside the House through which members can express themselves, such as the caucus and similar opportunities for consultation.

However, since the early days of our parliamentary system, the situation has evolved to the point where members are, for all practical purposes, subject to extremely restrictive conventions. Do members realize, Mr. Speaker, that the administration of the House is under government control and that is exactly what it is, control. Only Cabinet members sit on the committee or council which administers this House at least as far as the budgetary function is concerned. This is quite extraordinary and totally unacceptable!

One of the first things that struck me when I came to this House, Mr. Speaker, was the realization that as members we had absolutely no control over our administration. None at all! This committee by which we are administered consists of ministers appointed by the head of the government. So we have here a legislative chamber that is actually administered by the government. Except for our tradition of democratic consultation and the rest, this procedure would certainly be applauded by regimes that go against everything we believe in. The sponsor of the bill under consideration referred to our world, and just now I was alluding to that other world to which I am sure no one here would very much like to go. The member is introducing Bill C-273, whose purpose is clearly to instil some common sense and, by broadening access to the administration committee, to give all members of the House an opportunity to sit on the committee and to make the division of powers meaningful. And I entirely agree on that. However, I find it unbelievable that at 4.45 p.m. we should be here dealing with a private bill so fundamental to our institution. I was glad to hear the hon. member for Miramichi refer to parliamentary reform. There are very many things to be done in that area, whether we concern ourselves with committees, votes, internal management or the conventional rules to which I referred a while ago and which virtually compel us on both sides of the House—and I am using a strong word, Mr. Speaker—to act as mere puppets as a result of standards imposed upon us. I think that the matter will require some consideration.

Have hon. members ever asked themselves, whenever a non-confidence motion as we call it is moved, generally by an opposition party, whether we are playing our role? We express confidence or non-confidence in the government but what about the other bills? What about the other bills where it is suggested that the question of confidence is also involved? Indeed when a minister's bill is rejected, the minister is assumed to have lost the confidence of the House as is the government and assuredly our colleagues opposite would be the first ones in such a case to rise and demand that the government resign and call an election. I have already said it. As parliamentarians we know how to impose unacceptable restraints. What is the true meaning of a non-confidence motion if everything we do here is related to non-confidence or confidence issues?

Now our entire concept and understanding of our own work as elected representatives to a legislative body are warped. We become locked into an impossible situation and it is no wonder, Mr. Speaker, that our constituents often cannot understand how we have managed to get ourselves into such a predicament. I am speaking of course in a general sense. It will surely take some time before we do agree to reconsider this way of thinking but perhaps it is time to start something. A parliamentary reform has been announced. You can be assured, Mr. Speaker, that the issue of confidence in the government will not be reconsidered. Perhaps it is too soon to do that as well. The hon. members on the parliamentary committee will debate the statistics or the figures and what their responsibilities ought to be. It will be suggested that the number of members be reduced. My colleague from Miramichi made an interesting statement: let us stop playing musical chairs.

You know, Mr. Speaker, never was I more embarrassed than I was two years ago, I think, when my party—I say that without false modesty—had taken a few members off the committee under the pretence that they were against a bill. I know that the system was so much different over there, and I do not necessarily advocate that system. One can imagine such a situation in the American Congress where the chairman would tell a member of the foreign affairs committee: "You know, you do not agree with me so you will have to be taken off the committee and replaced by someone else." But what are we, Mr. Speaker? Are we supposed to play our role as parliamentarians, as elected members, or simply sanction or legitimize, if you want—it is legitimate, be careful now, I am not saying that it is not legitimate, the government is elected of course and this House gives it its confidence and every four years it must undergo the electoral test, but in the day-to-day life, constantly legitimizing measures which are not necessarily in full accordance with what we think our role ought to be as elected members for a given region. And I am not saying that the government must fall, quite the contrary. I am simply saying that we should be able to play our role as elected members in a democratic way, and should the time come when the government feels that perhaps it does not have the full confidence of the House because it has been defeated on a clause or on some sort of amendment or even on a bill, then the House, either the government itself or the opposition, may ask the House if the government still has its confidence.

If it has, then it can go on governing according to the wishes of the House as a legislative body. Therein lies the difference between the executive and the legislative levels. Why did we have to go through all this? To go back to Bill C-273, let us say that considerable progress has been made. When I was first elected to the House, there was not even a committee on management and members' services. We had no official spokesmen to voice our aspirations and our rights as parliamentarians to management except through the Speaker. We found ourselves in the most awkward situation of having to go and beg the government for a few dollars to buy a typewriter for instance, or to obtain the kind of services we deemed important and essential to help us fulfil our duties and obligations to the electorate. Incredible! Do we or do we not have a sense of responsibility? In other legislatures or legislative assemblies, the system is different. For example, there is the quaestorial system. I know that my colleague opposite who sponsored this bill is aware of this system which is used in the French National Assembly. However, in France, members of the National Assembly elect their own administrators in proportion to the parties represented. Does this mean that these administrators throw open the coffers, spend wastefully and do not take their own responsibilities? Not at all. Just like the other members, they are accountable for their administration and if they do not perform properly, they are either rejected by their colleagues or denounced by the newspapers and the general public. If we are responsible enough to ask our voters to elect us, to sit in this House, to rise day after day, to vote on decisions which are very important for the future of our country—there were 30 votes yesterday—I believe that we are responsible enough to administer our own affairs.

I do not have to tell you, Mr. Speaker, that, in my opinion, there was no need for the hon. member for Edmonton West (Mr. Lambert) to take such an initiative this afternoon. It is incredible that we should even be discussing this. All the members should unanimously rise to take in hand their own destiny as legislators. However, I am not saying that the government is to blame. I am not saying that the government has not managed the House well; that has nothing to do with it. I simply say that we should show a minimum of respect for the difference between the legislative function, for which we are here, and the executive function, which has of course a purpose and which operates on a different level. Mr. Speaker, we should at least be the masters of our own destiny in this House. This is why I approve the initiative of the hon. member for Edmonton West and why I hope that we shall put an end once and for all in a few months, when we undertake parliamentary reform, to something which is anachronistic, and I am

confident, or at least I hope, that the government will see to it that we can pursue this evolution which has brought us from a situation where we had no say in our administration to the present state of affairs, where we have an advisory committee which discusses matters of interest to the members of the House and which makes excellent recommendations which have indeed been approved by the Internal Economy Commission, so that we can take our destiny in hand as the final stage of this evolution. This would only be normal. As for the rest, as for my comments on parliamentary responsibility and government responsibility in the House, it is of course a much wider issue. I have used very strong words because I believe that it is time for us, as Members of Parliament, to reflect on this matter since, once again, we have put ourselves in this straitjacket in which we operate, and it is up to us to get out of it.

● (1650)

[*English*]

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I would like to thank the hon. member for Edmonton West (Mr. Lambert) for precipitating this discussion by bringing in this private member's bill. I know it is an issue that he is very familiar with and that he has spent many years working toward trying to improve the operation of the House with regard to matters of this nature. When we look at this issue, Mr. Speaker, I think it is necessary to look at how the Commissioners of Internal Economy came to have the jurisdiction that they have and where they came from.

The Commissioner of Internal Economy was established at the first session of Parliament. At that point, Mr. Speaker, Parliament met only a few weeks each year. Most of the employees employed by Parliament in those earlier days were mostly clerks and messengers who were employed on a temporary basis. They were employed for a few weeks or a couple of months at the most. Patronage was not unknown in those days; in fact, it was common and rather rampant. In 1867 and shortly thereafter it was desirable—and, as we all know that practice has long since died out and has become more or less extinct, at least at the federal level—that members from outside the Ottawa area, from more distant parts of Canada, should have jurisdiction over who was employed by Parliament on a temporary basis and who received these jobs. It was felt that to put this in the hands of members from the Ottawa area would be giving Jack the Ripper an Avon route. Perhaps it would result in some great injustices.

To protect Parliament in those days, the Board of Commissioners of Internal Economy was set up. The only members from outside the Ottawa area who were here all year round were cabinet ministers. In conducting research into the historical development of the existence of the Board of Commissioners of Internal Economy, I found that that seems to have been the rationale for the reason why they wound up doing the job they have been doing for so many years.

A few years ago, the Standing Committee on Procedure and Organization, recognizing the immensely more complex administrative requirements of the House in the late twentieth century, recommended the creation of the Standing Committee on Management and Members' Services so that members, other than the Speaker and ministers, could participate in the administrative decisions of the House. I think it is fair to say that probably most of the best improvements in the administration of the House have originated from this committee.

I think it could be argued that the situation does need review. This committee often meets in camera and rarely reports to the House. This does not mean to say that the members on the committee are unaware of its deliberations or its advice.

Furthermore, it is important to bear in mind that the committee does not have any executive authority in law. It remains with the Commissioners of Internal Economy. The committee can review the situation and hold what discussions they feel are appropriate and make whatever recommendations they feel are appropriate. In the final analysis, they do not have legal authority. This is something that has rested with the Commissioners of Internal Economy and continues to rest with them.

An example that we might look at is the Senate. These days some people tend to view the Senate as a bit of an anachronism in many ways. I suppose that is an issue that can be argued. Perhaps the example of the Senate is worth looking into. When you look at the Senate, you will find that almost all the administrative decisions that are taken there are not taken by the Speaker or in camera or by a body that does not report to the whole House, but by a standing committee that is accountable to the Senate.

What is the result of this? In recent months there have been many rumours and allegations, some of them perhaps based on fact, others on fiction. There have been counterclaims about the administration and the machinations that go on in the House. Of course, we have the nation's gossip columnists. Many of the political columnists have had a heyday talking about the debates and internal dissension that have, in fact, occurred.

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

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

HOUSE OF COMMONS

Monday, November 9, 1981

The House met at 2.00 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL ENERGY PROGRAM

PRICE CHARGED DOMESTIC MARINE CARRIERS FOR FUEL
MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, one goal of the National Energy Program is to promote energy conservation. However, in its usual shortsighted way, the federal government is actually encouraging fuel inefficient modes of transport by forcing domestic marine carriers to pay world price for fuel while not imposing the same price on surface carriers. Marine transport is three times more fuel efficient than rail, and eight times more fuel efficient than road transport. Therefore I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House urges the Minister of Energy, Mines and Resources to reassess the application of the National Energy Program so that users of road, rail or water transport can make a choice based not only on cost but also on fuel efficiency, thereby fulfilling one of the most important objectives of the NEP.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the minister responsible for Canada Mortgage and Housing Corporation has so far refused to do anything for people who have had to leave their homes because of poisonous UFFI fumes, and because he has done nothing so far for people who have to leave their homes because they cannot afford sky-rocketing mortgage interest rates, and since representatives of a now crippled housing industry announced today that housing starts are down 52 per cent and we would need a 150 per cent increase in housing starts to meet the Liberal government's own projections, I move, seconded by the member for St. John's East (Mr. McGrath):

That the minister responsible for Canada Mortgage and Housing Corporation tender his resignation immediately before he throws us all out into the street.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, the Minister of Veterans Affairs (Mr. Campbell) claims that Canada's treatment of its veteran population cannot be bettered anywhere in the world, but the United States can and does process its veterans' pension applications within 90 days, compared to Canada's disgraceful record of 46 months. I therefore move, seconded by the hon. member for Erie (Mr. Fretz):

That this House demands that the Minister of Veterans Affairs act immediately to initiate changes in legislation which would reduce the pension application waiting period for Canadian veterans from the present unconscionable 46 months to not more than three months which is the limit in the United States.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MEDICAL CARE

IMPOSITION OF USER FEES—MOTION UNDER S.O. 43

Mr. Dan Heap (Spadina): Madam Speaker, I rise on a matter of urgent and national necessity under the provisions of Standing Order 43. Whereas the Prime Minister (Mr. Trudeau) has assured Canadians that he will not allow federally funded medical care to be undermined by lack of equal accessibility; and whereas the government of Ontario, following the government of British Columbia, proposes to charge user fees for hospital care which, according to the Hall report and the Parliamentary Task Force on Established Programs Funding, will surely deter sick people with low incomes from using hospitals, I move, seconded by the hon. member for Beaches (Mr. Young):

S.O. 43

That this House direct the Prime Minister to notify the provincial governments that if they charge user fees federal funding will be withdrawn.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

SPEECH BY MINISTER OF JUSTICE AT LIBERAL PARTY MEETING IN ALBERTA—MOTION UNDER S.O. 43

Mr. Doug Frith (Sudbury): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the federal Minister of Justice (Mr. Chrétien) received several standing ovations given by hundreds of Alberta Liberals during a speech on the new Constitution in Calgary on the weekend, I move, seconded by the hon. member for Saint-Michel (Mrs. Killens):

That this House unanimously grant leave of absence for the federal Minister of Justice to travel across the country spreading the joy concerning our new Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

HONG KONG VETERANS—CALL FOR STUDY OF PARASITIC DISEASE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, 950 Canadian Hong Kong veterans may be subject to a rare Asian parasite which, since 1967, has been treatable. To date efforts to persuade the Liberal government to take a serious look at the problem have been unsuccessful. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House instruct the Minister of Veterans Affairs to launch an immediate study into this new parasitic disease and develop treatment plans for the 950 potential Hong Kong veteran victims.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE ROYAL FAMILY

ANNOUNCEMENT RESPECTING FORTHCOMING BIRTH—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House expresses its loyal congratulations to Her Royal Highness, the Princess of Wales, and her husband, His Royal Highness the Prince of Wales, on the announcement regarding the anticipated royal event this coming spring; and assures the royal couple of our loyal good wishes and continuing loyalty and interest.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

REGIONAL DEVELOPMENT

CHU CHUA INDIAN BAND'S APPLICATION FOR FUNDING—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the increasing state of unemployment, and especially the exceptionally high interest rates found on Canadian Indian reserves, and recognizing that many bands have been attempting to initiate long term, progressive and viable job-creation programs for their members, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House urge the Minister of Regional Economic Expansion to make the long awaited commitment to the North Thompson Chu Chua Indian Band regarding the ARDSA application to improve the unemployment situation through an innovative economic development proposal.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

ABANDONMENT OF ROSEDALE-EAST COULEE RAIL LINE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the western division of CTC ordered the Rosedale-East Coulee CP-CN rail line abandoned on the date of the order in spite of the fact that, one, there are a million tons of potential coal to be mined and, two, Allied Chemicals of Canada are producing calcium chloride now on the route, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House urges the Minister of Transport to place a stay on this order until all appeals have been heard.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

PAYMENT OF BENEFITS TO WORKERS—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, a recent appeal by employees of Heckett Engineering and Crosstown Mobile Wash was upheld by the UIC Board of Referees. However, the payment of benefits is now being withheld subject to a UIC decision on whether or not to appeal further. I move, seconded by the hon. member for Beaches (Mr. Young):

That the Minister of Employment and Immigration instruct the UIC not to appeal and to make immediate payment of all moneys these workers have been denied and to which they are entitled.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

VETERANS AFFAIRS

EXPOSURE OF HONG KONG VETERANS TO PARASITIC DISEASE—REQUEST FOR INQUIRY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in the absence of the Minister of Veterans Affairs I would like to direct my question to the Acting Minister of Veterans Affairs who, I understand, is the Minister of National Defence. Problems are mounting within the Department of Veterans Affairs. Veterans are having to wait up to five years to have their pension applications processed and, to date, no headway has been made in reducing the excessive delays. Now, to add insult to injury, the Liberal government refuses to investigate the potentially fatal Asian parasite disease which may be affecting 950 Hong Kong veterans. The government refuses to do this, despite the fact that the Hong Kong Veterans Association contacted the Pension Commission close to three years ago and has yet to receive a response, and also despite the fact that a cure has been available since 1967.

Will the acting minister launch an immediate inquiry into this potentially fatal problem, and will he report back to the House with his findings as soon as possible?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, I will soon be able to relay the information I received from the hon. member for Winnipeg-Assiniboine concerning this subject of what he calls the Asian parasite disease. I am sure the Minister of Veterans Affairs will do his utmost to satisfy the Hong Kong veterans, as we have been doing for the last ten years. When I left the ministry I thought the delays in pension processing were being curtailed, and were decreasing very dramatically. With the new—

An hon. Member: Bull!

Mr. Lamontagne: —pension chairman coming in, with the help of the former one, and also with the nomination of Mr. McCracken we will investigate all the mechanisms of this pension problem so that the veterans would be satisfied with the direction we give.

Mr. McKenzie: I would like to point out to the acting minister that the standing committee was informed this year that matters will get worse within Veterans Affairs in dealing with the pension applications.

PRACTICE FOLLOWED BY MEDICAL EXAMINERS

Mr. Dan McKenzie (Winnipeg-Assiniboine): I have another supplementary question for the same acting minister in regard to the medical advisory board. I would like the minister to launch another investigation into the recent disclosure that medical examiners in the Canadian Pension Commission are breaking the law by offering opinions on veterans' cases instead of simply providing medical advice. The minister will know that the situation has become so bad that veterans have been forced to take the government to court in order to have this practice stopped.

• (1415)

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, I have noted the hon. member's remarks and I am sure that the Minister of Veterans Affairs will take note of them also. I think we will be able to correct the problem very quickly.

REQUEST THAT LEGISLATION BE INTRODUCED SIMILAR TO UNITED STATES SYSTEM

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in Saskatoon on October 19, 1981, the Minister of Veterans Affairs made the following statement:

I haven't heard any critic say that Parliament should abandon the Canadian way for any other country's system.

That statement is not correct. We have asked for the American system to be introduced in Canada. This request was raised at a standing committee hearing earlier this year. I

have raised the matter on numerous occasions in the House. Will the Acting Minister of Veterans Affairs give a firm commitment to this House that he will raise this matter in cabinet and have legislation introduced in Canada similar to what is in force in the United States where pension applications can be processed in 90 days, and not five years?

Some hon. Members: Hear, hear!

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, I do not want to take up the responsibility of the present Minister of Veterans Affairs, who is most able to look after the problem.

I think the hon. member for Winnipeg-Assiniboine should be a little better informed about veterans and realize exactly how good this government has been to veterans. This is especially on the eve of November 11, which is the day on which we can demonstrate to our veterans that we took good care of them over the last 30 or 35 years.

When the hon. member for Winnipeg-Assiniboine tells me that we should introduce the American system into Canada in place of what we have, I think our veterans would have a lot to lose.

Mr. Clark: How would you know?

Mr. Lamontagne: The American system does not apply the same way at all, nor does the American system have the same principles by which to evaluate what pensions or benefits our veterans should have or not have. However, I can say that this government has done tremendously well. In the last session we passed legislation to help widows of veterans. Both in this session and the next we will still try to improve that legislation.

COMPENSATION LEVELS FOR DIEPPE PRISONERS OF WAR

Mr. Joe Reid (St. Catharines): Madam Speaker, I regret that the Minister of Veterans Affairs is not here, particularly at this time of the year to answer for himself and for his department. Therefore, may I direct my question to the Acting Minister of Veterans Affairs? Reports and studies have shown that Dieppe prisoners of war have a higher incidence of premature aging, pensionable disabilities and mortality rates than any other prisoners of war or war grouping, except for the Hong Kong veterans.

The present minister has spoken of justice and fair play in the veterans benefit program. Is it just, to compensate those who were prisoners of war for two and one half years or more at the same rate, or at twice the rate payable to prisoners of war who were detained for only some three momths?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker the Minister of Veterans Affairs is not in the House because he is representing the Canadian government at Vimy, France, making sure Canada is well represented.

Some hon. Members: Hear, hear!

Mr. Lamontagne: I will take note of the hon. member's question, and I will endeavour to refer it to the present minister.

I would like to tell the hon. member for St. Catharines that I appreciated the fact that he accompanied me on behalf of veterans on the recent pilgrimage to the eastern European countries. I think the hon. member should know that the Canadian government has done tremendously well in providing veterans benefits.

DELAY IN PROCESSING PENSION APPLICATIONS

Mr. Joe Reid (St. Catharines): Madam Speaker, I have a supplementary question for the Acting Minister of Veterans Affairs. I will put my question very simply. What is the use of talking about a great and improved veterans affairs program if veterans who make applications for pensions are to be frustrated and delayed to the extent they are in the processing of their claims? The Acting Minister of Veterans Affairs is in a position to answer that question.

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, I would like to elaborate on the question which the hon. member has asked. However, I much prefer to wait until the Minister of Veterans Affairs is here, who will be able to tell the hon. member what can be done and has been done in this matter. I think that would be a much better approach in view of the fact that the Minister of Veterans Affairs is now responsible for this matter.

* * *

● (1420)

HOUSING

DECLINE IN HOUSING STARTS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the minister responsible for CMHC who might better be called the minister of housing disaster. Recently the minister bragged that monthly housing starts have increased since he took over his portfolio. We now learn from the housing industry that housing starts are at their lowest monthly rate since 1960. October figures show a decrease of 52 per cent in housing starts compared to last year. Will the minister now tell the truth? Will he admit that the home building industry is in very deep trouble with high unemployment of building trades workers, and will he tell us what plans he has to encourage the construction of some 220,000 units of housing, which is the minimum required to keep Canadians housed?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am sure the hon. member will be encouraged to know, notwithstanding the drop in starts which she has identified for the month of October, that in fact the starts for the year 1981 will be increased over those of 1980, so that the anticipated starts for this year are still somewhere in the range

of 180,000, much above the low starts experienced in the industry last year.

BUDGETARY FUNDING FOR CANADA MORTGAGE AND HOUSING CORPORATION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, it is my understanding that, according to the minister's own signed report from CMHC, the housing prospect for new homes is in a disaster situation. Obviously the minister still refuses to acknowledge his own responsibility to provide leadership and some government solution. Over the past five years Liberal governments have decimated the CMHC budget. It has been cut from $1.6 billion in 1976 to a mere $350 million last year. As a result of this, CMHC no longer is involved in the production of housing but is merely a mortgage insurer. Will the minister demand a return to 1976 budget levels for CMHC, and will he restore this organization to its former role of providing housing that Canadian families can afford?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am somewhat surprised by the question of the hon. member as she represents an area of Canada that obviously is in need of assistance in housing suitable to people of lower and middle-income levels. I am surprised that she would not say, for example, that this government, in responding to that very difficult situation, has targeted assistance to areas of the country that obviously need assistance more than others. I know, for example, that the increased social starts in co-op and non-profit housing have been directed specifically to the city that she represents, the greater Vancouver area, and I know that is doing great good in that greater Vancouver area and the province of British Columbia.

REPORTED INCREASES IN RENTS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I should like to assure the minister that the people on this side of the House are concerned about housing right across the country.

We understand today that rents in Quebec, as in other parts of Canada, are increasing. But particularly today there comes a sad story for Quebecers whose rents are going to be increased 20 per cent, largely due to high mortgage interest rates. In other parts of Canada rent increases in terms of percentage of income are even higher. What does the minister intend to do, other than MURB programs which do not provide affordable rental housing, in a positive way to develop rental housing through CMHC?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, once again I am surprised that the hon. member in all of her questions today, and in the last question particularly, ignored once again the social component of CMHC housing under Section 56(1), which, during the last two years, has shown an increase from 25,000 to 30,000 starts in housing directed toward people who need that kind of housing.

• (1425)

Why does she not recognize the good done by this government—25,000 to 30,000 starts out of what she says are starts down at a rate of 100,000? The hon. member should look at the percentage that this government is contributing toward the industry, specifically in her province.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

THE CONSTITUTION

REQUEST FOR REPORT ON NEGOTIATIONS WITH QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, my question is directed to the Prime Minister and concerns the Constitution. Since the media mentioned today that Mr. Ryan, Leader of the Opposition in Quebec, sent a telex to the Prime Minister of Canada which, it seems, contained substantial suggestions on breaking the constitutional deadlock between Quebec and Ottawa, could the Prime Minister tell the House whether he intends to follow up any of Mr. Ryan's suggestions, and could he also report to the House on the progress of negotiations which, I hope, are still continuing between the government of Quebec and the Government of Canada with a view to reaching an agreement that would be agreeable to all provinces, including Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, since Thursday when the conference was drawing to a close I have said on behalf of the Canadian government that we were prepared to seek accommodation on the three points with which the government of Quebec was in disagreement, and if solutions or compromise formulas could be found, we were prepared to look into these. To this day, and I checked earlier with the Minister of Justice, we have not had word from the government of Quebec. Actually, I think they wanted the conference to be a failure, and now they would not want it to succeed through the action of a compromise formula. Mr. Ryan has proposed such a formula which we will examine carefully I would first like to know what are the PQ government's views on the subject and, if it is a valid formula, we might look into it.

[*English*]

TELEX FROM LEADER OF THE OPPOSITION IN QUEBEC NATIONAL ASSEMBLY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Prime Minister in relation to the telex from Mr. Ryan, which I have not had an opportunity to see but which I understand has at least two elements. First, there are some specific suggestions regarding the three outstanding matters cited by the Prime Minister and Premier of Quebec to be at issue. Also, if I

understand correctly, there is a request by Mr. Ryan, the leader of the Liberal opposition party in the Quebec National Assembly, that the Government of Canada be prepared to negotiate with the government of Quebec to enable the participation and involvement of Quebec in a full constitutional settlement.

Does the Prime Minister intend to respond positively to that request by Mr. Ryan and to do everything possible to involve the province of Quebec in a full constitutional solution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I honestly am not clear on what the Leader of the Opposition intends when he says insisting "on a full constitutional solution".

There are three areas on which the government of the province of Quebec indicated that it disagreed. I have indicated that we are prepared to look for some accommodation in those three areas providing they do not result in a position which would break up the accord reached with the nine provincial governments last week, and providing they ensured fairness for all Canadians.

I am really repeating my previous answer to the member from Saint-Jacques, but if the Leader of the Opposition has some further supplementary I would be happy to entertain it.

INCLUSION OF QUEBEC IN CONSTITUTIONAL AGREEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, naturally we would like to have the opportunity to see as soon as possible the resolution which the Government of Canada I understand is drafting as a result of the accord signed between the Prime Minister and nine of the premiers. What I am interested in is having an undertaking from the Prime Minister that he will vigorously and fully pursue an agreement with the province of Quebec and that he will not place any artificial obstacles in the—

Some hon. Members: Oh, oh!

Mr. Clark: —any artificial obstacles in the path of an agreement. Would the Prime Minister give his undertaking on that; and also an undertaking that he would be prepared to respect what I understand to be the spirit of the request of Mr. Ryan, that spirit being that all efforts be made to include the province of Quebec in a constitutional agreement signed by and supportable by the other premiers?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe my previous answers and what I have been saying since Thursday noon should satisfy the Leader of the Opposition as to the spirit and the willingness we have had about including Quebec in a final solution. In so far as the first point about the federal government drafting an amendment to the resolution is concerned, I want the Leader of the Opposition to take note that it has been the joint work of the federal and provincial officials to try to put into legal texts the agreement that nine provinces and the federal government reached last Thursday and Friday.

As to his other point about not putting up artificial barriers, I do not know what the Leader of the Opposition would define as an artificial barrier. For instance, on education and linguistic rights for minorities what would he consider an artificial barrier—the federal government trying to ensure that English-speaking Canadians in Quebec have the same rights French-speaking Canadians in the other provinces now have? If we insisted on that, would that be an artificial barrier in the eyes of the Leader of the Opposition?

EQUALITY OF THE SEXES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I suppose that so long as we have an implicit undertaking from the Prime Minister that he will respect the spirit sought by Mr. Ryan of an honest attempt to include the province of Quebec in this accord, we will have to wait to see the resolution which comes forward.

However, let me ask a specific supplementary question of the Prime Minister in relation to the resolution that is being drafted. Would the Prime Minister confirm that in the original accord, signed by himself and the nine premiers on Thursday, the opt-out or override provisions do not apply to the guarantee of equality of male and female persons which, the Prime Minister will recall, was set down deliberately in a separate section, Section 28, of the original resolution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think this is the question asked by the hon. lady in the New Democratic Party the other day. I had a chance to look this up since then, as I said I would—

Mrs. Mitchell: Hon. lady?

Mr. Trudeau: If some can say "hon. gentleman", is it prohibited to say "hon. lady"?

Mrs. Mitchell: Hon. member.

Mr. Trudeau: Madam Speaker, would you like me to call her something else?

Some hon. Members: Hear, hear!

Mr. Trudeau: My understanding is that in the work done by the federal and provincial officials the "notwithstanding" clause would indeed apply to that particular section.

Mr. Rae: It shouldn't.

Mr. Trudeau: The hon. member says it would not.

Mr. Rae: I am saying it shouldn't.

Mr. Trudeau: Oh, well, we know that the Leader of the Opposition has always argued that we should have a charter made in Canada by Canadians. Now that we will have our own Constitution, now will be his chance to have a charter

made in Canada by Canadians, and over the next years he will be able to fight to put back in the charter what we had in the original charter which his party combated tooth and nail for the past year.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the Opposition asks me if we will make an honest attempt to seek some kind of compromise. We have been trying since Thursday. We have indicated to the Parti Québécois, the Quebec government, that we are willing to hear some words from them particularly on the mobility clause, as we got from Premier Peckford, which would answer the problem the Parti Québécois has with the charter as it is now presently conceived. We have not heard from them.

I just want to reiterate to the Leader of the Opposition that we have a duty to protect minorities, and we are trying to find a way to convince the government of Quebec that it should share in that duty of protecting minorities. I recall for the Leader of the Opposition that I believe it was less than a couple of months ago that he was speaking in Montreal and undertook to communicate with the Premier of Quebec to make sure that the government of Quebec would see its way clear in some way to protect the English-speaking minorities in Quebec. I wonder if he has since then communicated with the premier and if it would not be useful now for him to communicate with the Premier of Quebec to indicate his concern for these minorities, as he said he would a couple of months ago.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I find it rather strange that the Prime Minister should be putting questions to me, but I will not follow his practice; I will answer the question. The answer to the question is yes, I have.

Some hon. Members: Hear, hear!

DETAILS OF ACCORD

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the hon. member for Timmins-Chapleau is the only empty barrel with a mustache in the House.

Some hon. Members: Oh, oh!

Mr. Chénier: We want to keep you as leader, Joe.

Mr. Clark: Madam Speaker, there is a great deal of heckling from the Liberal side, perhaps to stop questions about the equality of male and female persons. However, let me come back to the specific communiqué of the accord tabled in the House of Commons by the Prime Minister which says that there was agreement on the entrenchment of the full charter of rights and freedoms now before Parliament, with the following changes:

(b) A "notwithstanding" clause covering sections dealing with Fundamental Freedoms, Legal Rights and Equality Rights.

The Prime Minister will recall that there was a deliberate effort made, when the original resolution was prepared, to put Section 28 in a separate section. That separate Section 28 is not referred to in the list of exceptions I have just quoted.

Is the Prime Minister telling us that the Government of Canada is now changing the accord which was signed by the Premiers? Are we going to have a resolution which has an opting-out or override clause applied to Section 28, when the accord did not have an opting-out or override clause applying to Section 28?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I am not saying that. The Government of Canada did not want to take anything out of the resolution which was before the House; nothing. We wish the Leader of the Opposition had supported it when it was here the first time, but I did say that the officials of the federal and provincial governments did meet on Thursday and Friday, and my understanding of that meeting is that this particular section would be subject to the "notwithstanding" clause.

Mr. Clark: That changes the accord.

Mr. Trudeau: Let me make it clear that everything in the charter now we would want to keep. Anything taken out is taken out because of the accord.

Mr. Clark: No.

Mr. Trudeau: The Leader of the Opposition says "No". I wish he would get hold of the nine premiers and get them to interpret the accord.

I can show a piece of paper too.

Miss MacDonald: Shame on you.

Mr. Trudeau: The lady from Kingston says "Shame". She did not support the charter when it was here.

Some hon. Members: Right on!

Mr. Trudeau: She did not support it when it gave absolute equality to the sexes. Hon. members opposite did not support it when it gave recognition to aboriginal rights.

As a result of the accord last week we have had to take certain things out, not because we wanted to take them out but because we were asked to take them out as the price of an agreement. I will not be saddled now with any weakness of the charter, which the party opposite refused to support and is now crying about because it does not appear in its entirety. They wanted a charter made in Canada. Let them sit down to work now and start making a charter in Canada. That means agreeing with the provinces that they should protect these people.

● (1440)

Some hon. Members: Hear, hear!

Oral Questions

ABORIGINAL RIGHTS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Justice. Section 91(24) makes it clear that the jurisdiction over aboriginal and treaty rights is an exclusive federal power. It is my understanding that the September ruling of the Supreme Court of Canada only limited the federal government's ability to affect provincial jurisdiction directly. We all recognize the importance of last Thursday's consensus. However, I would like the minister to confirm to this House that it is, first, within the powers of this House to re-entrench Section 34 fully, which this party will support and, second, that this action would not conflict with the September ruling of the Supreme Court of Canada.

Hon. Jean Chrétien (Minister of Justice): Madam Speaker, we were very pleased to entrench these rights in the Constitution at the committee stage. As the Prime Minister indicated a few minutes ago, we agreed to a proposition that came from the provinces. It was a document presented to the conference by Premier Peckford. The aboriginal rights were not protected in that proposition. We asked whether it was a mistake that they were not there. The answer was no, they knew, that the provinces did not want to opt to entrench aboriginal rights both at the federal and provincial levels.

We remembered that the National Indian Brotherhood and the Metis had announced through the Indian association strong opposition to the way it was entrenched. Some of them were already campaigning in London trying to block our "demarches". What the Prime Minister did, when he realized it was being requested by the provinces not to be entrenched, was to reaffirm our commitment to entrench. He suggested to the provinces holding a constitutional conference on aboriginal rights so that the Indians, Inuit, Metis, provincial and federal governments could get together to find a solution that would be acceptable to everyone.

REQUEST THAT RIGHTS BE RESTORED IN CONSTITUTION

Mr. Jim Fulton (Skeena): Madam Speaker, the important point for the House and the Minister of Justice to get hold of is that none of the major groups in Canada oppose Section 34 as it stands. They want something more. They wanted a consent clause included. This party is clearly on record that we want Section 34 put back in, fully entrenched. It is my understanding that that is supported by all members of this House. Section 91(24) of the British North America Act makes it abundantly clear that it is a sole federal jurisdiction. It can be put back in. The Supreme Court of Canada agrees with that. Will the Minister of Justice rise in his place and tell the native people of Canada, 1.3 million Canadians, that Section 34 will be put back in fully, as all members of this House think it should be?

Hon. Jean Chrétien (Minister of Justice): I said, Madam Speaker, that we want to ensure that these rights are entrenched in the Constitution at all levels. We will do whatever is necessary to find words with which everyone can agree. Everyone knows we took the initiative of putting that in the Constitution. We wanted it to be in the Constitution for all time. The Prime Minister asked the provinces to agree to a conference so that this would be entrenched in such a way that the native people, the provinces and the federal government, will be completely satisfied, and these people will be protected.

DISCUSSIONS BETWEEN PRIME MINISTER AND REPRESENTATIVES OF NATIVE PEOPLE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I have a supplementary question for the Prime Minister. There have been reports that the Prime Minister would meet today with the Inuit and Indian leaders to discuss the constitutional accord of November 5 which dropped Section 34 entrenching aboriginal and treaty rights. Will the Prime Minister confirm whether such a meeting has already taken place? If so, what were the results? Has the Prime Minister agreed at least to entrench those aboriginal and treaty rights for all matters under federal jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did meet with certain Inuit leaders in the presence and with the assistance of the Minister of Indian Affairs and Northern Development. We examined these questions. I expressed the federal point of view much as the Minister of Justice just did in his last answer. We were anxious to find a formula which would not only involve a recognition by the federal government of the existence of aboriginal rights, but a process which would hopefully lead the provinces to recognize those aboriginal rights.

The aboriginal people themselves know that their life, except in the case of the Territories, is lived out within the provinces and that they have many rights and programs which should apply to them at the provincial level. Once again, as the minister just said, we would prefer a solution which would not have the federal government go it alone and then perhaps leave the problem on the back burner forever, but try to involve the provinces as well as the federal government and the native peoples themselves in a solution which all could accept, as the minister just indicated.

STATUS OF NON-NATIVE RESIDENTS OF YUKON AND NORTHWEST TERRITORIES

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Prime Minister. The Prime Minister has mentioned the people of the two Territories quite apart from the native peoples in those parts of Canada. In view of the existence of paragraph (5) of the accord where special arrangements have been made to hear the views and concerns of the aboriginal peoples of Canada, can the Prime Minister explain why all of those thousands of Canadian citizens who are non-native living in Yukon and Northwest Territories have been left out in the cold with respect of this accord?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, unless I understand the Constitution differently from

the hon. member, those Territories are still part of Canada and still come under the jurisdiction of the federal government. In that sense the hon. member may be out in the cold with his party on this subject, but we do not think the native people or the northern people are.

* * *

HOUSING

DROP IN HOUSING STARTS

Hon. James A. McGrath (St. John's East): Madam Speaker, I should like to direct my question to the minister responsible for housing. On October 30 last I referred to the Statistics Canada projections of seasonally adjusted housing starts of 135,000. The minister at that time said I could draw some consolation from the real seasonally adjusted rate of 180,000. We now know that the seasonally adjusted rate, according to the latest figures from his own Canada Mortgage and Housing Corporation, is down to a disastrously low 104,500. What does the minister have in place, or what advice does he have for the government to change this disastrous course?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in answer to a similar question I indicated that the strength in housing starts earlier this year was, for example, in March somewhere in the neighbourhood of 246,000 on an annually adjusted rate. The strength of the earlier housing starts will mean that the annual performance this year will be around 170,000. The one month's decline has to be balanced against the very high strength earlier in the year.

I hasten to indicate that, although starts were down in the month of October, early figures indicate that applications for mortgage funding, draws on mortgage funding, were up during the month of October. I expect that the months of November and December will contribute to an increase in strength in the market and in the industry for the balance of the year.

REQUEST FOR ADVICE FROM MINISTER

Hon. James A. McGrath (St. John's East): Madam Speaker, according to the minister's own figures, in terms of actual starts last year we had a disastrously low 158,600. We need 220,000 to meet minimum requirements. Indeed, according to CMHC's own projections, we will need 261,000 on a seasonally adjusted rate. We now have 104,000. We are told by the industry in terms of the rental situation that, apart from whatever government assistance there is next year, there will be no new rental units built next year, which means that the zero vacancy rate is now upon us. This spells a disaster, Madam Speaker, in the total housing industry. Everyone recognizes that but the minister responsible for housing.

● (1450)

What advice does the minister have for the people of Canada who, for the first time since the end of the Second World War, are facing a housing crisis of unprecedented proportions?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the strength and the seriousness with which the hon. member for St. John's East (Mr. McGrath) puts forth his question is somewhat hollow when you take into account that one of the things this government had to do last year, when it came into office, was to undo some of the harm done by the government of which he was a member.

Some hon. Members: Oh, oh!

Mr. Cosgrove: For example, we had to reintroduce the MURB provision, to increase by 20,000 starts the provision of supply of housing in the country, and to increase the social components of housing starts. A study ordered up by the previous government of which the hon. member was a member, recommended that the government withdraw from housing, withdraw from social housing, and withdraw from MURBs. We have had a little catchup since the last government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

PIPELINES

EXTENSION OF NATURAL GAS PIPELINE TO EAST COAST

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources concerning the natural gas pipeline extension to the east of Canada. The minister knows that the gas pipeline extension was promised by the Prime Minister, that it was included in the National Energy Program and promised in this House by the minister. On August 11 the National Energy Board approved the pipeline extension. The government has been waiting for three months to answer this question that is so vital to the east coast.

Will the minister tell the House what the reason is for the delay, and when the government will approve this important economic project that will mean hundreds of jobs, and the expenditure of thousands of dollars for Canadian industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The project will mean the expenditure of hundreds of millions of dollars in the Canadian industry, not only thousands. The government has been very supportive of this project. It is committed to it. We are very happy that the National Energy Board has put forth a recommendation supporting the completion of a gas pipeline system right through to Cape Breton and Halifax. I expect to be in a position to announce a government decision on this recommendation from the National Energy Board very shortly.

Oral Questions

DELAY IN CONSTRUCTION

Mr. Howard Crosby (Halifax West): I have a supplementary question for the Minister of Energy, Mines and Resources. Madam Speaker, the National Energy Program indicated that we on the east coast would receive natural gas through the pipeline system by 1983. This has now been extended two years. Further delays will result in a failure to supply natural gas for even longer periods of time. I do not think the minister's answer is good enough in the context of his promises to the House, and the promises by the Prime Minister in the election campaign.

When will the gas line be constructed? When will we know about this thing? Why are there further delays over the three months the government has already had to consider the matter?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, again the government and myself have been the ones who have pushed for this particular program while the Conservatives were sitting on their hands.

Some hon. Members: Oh, oh!

Mr. Lalonde: As a matter of fact, the hon. member well knows we had to prevail against the very strong reservations of the Conservative government of New Brunswick about this particular issue. I am very happy now that the government of New Brunswick has come around to support this project.

We have faced some problems with the particular route that has been proposed between Quebec and New Brunswick. We have also faced some objections from the government of Quebec. I have been working very hard in order to resolve those objections so that the project, once it is finally and formally approved, will proceed much faster than the way the hon. member suggested.

So far as the project is concerned, it is one of the top priorities of this government. I am not only confident, but I can tell the hon. member that the project will take place.

Mr. Crosby: When?

* * *

EXTERNAL AFFAIRS

EL SALVADOR—HOLDING OF DEMOCRATIC ELECTIONS

Mr. Bob Ogle (Saskatoon East): My question is directed to the Secretary of State for External Affairs. I should like to ask my question in the light of the discussion that has gone on today about human rights, and I particularly ask the question about the state of El Salvador. In my hand I have a letter that the minister received from the Canadian Council of Churches indicating and asking for a change in policy respecting Canada and El Salvador. I also have here a letter recently released by the Conference of Canadian Catholic Bishops that says "that the military and Christian Democratic ruling junta in El Salvador is responsible before its own nation and before the international community for extremely grave crimes. It is responsible for the crimes of extermination and genocide carried out against tens of thousands of El Salvadorans in a little over a year." That letter was signed by 33 bishops from Mexico, Central America, and Latin America, and by 210 priests. They praised the Canadian bishops for what they had done so far.

Does the Minister of External Affairs still believe that true representative democratic elections will be possible in El Salvador in March?

An hon. Member: No.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, our policy on El Salvador has continued to be one of seeking peace through political means and not by military means. We have expressed this policy for months. We believe that the election, which is planned by the present government of El Salvador, will allow the people of El Salvador a democratic choice, if it is conducted in the proper way. We have indicated to that government that we are prepared to support them in every possible way, by observers, through technical assistance, or any other way, to conduct that election campaign in a fully democratic manner. It seems to me, Madam Speaker, that to allow the people of El Salvador themselves to judge the government of El Salvador is really the genuinely democratic way to proceed with a problem of this kind.

RECOGNITION OF POLITICAL MOVEMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, at the UPI meeting, an international meeting of parliamentarians in Havana. the Canadian delegation representing all three parties, and also the Chairman of the Standing Committee on External Affairs and National Defence, voted as a group to support the French-Mexican position of accepting the fact that the FDR is a legitimate, political force that must be dealt with. Will the minister tell this House whether or not the government is ready to move in that same direction?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, that initiative is largely discredited at this point. Certainly it is not one which we propose to join. I would say to the hon. member, Madam Speaker, that we are concerned about the problems of El Salvador, whether they arise from the right or the left. We are not concerned about the problems that arise only from one direction. We believe that the best solution is to allow the people of El Salvador themselves to decide. I wonder what my hon. friend finds wrong with democracy.

[*Translation*]

THE CONSTITUTION

PROPOSAL THAT REPRESENTATIVES OF MINORITIES ATTEND CONFERENCE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Right Hon. Prime Minister. On Friday, November 6 of this year, the Prime Minister told the House he had asked for a federal-provincial meeting to discuss entrenchment of aboriginal rights in the Constitution. The purpose of the meeting would be to enable native peoples to express their grievances regarding the present draft. As the rights of francophones outside Quebec might also be recognized in the new Constitution by acknowledging their right to have access to the legislature and the courts of their province in their own language, across Canada, I wish to ask the Prime Minister, first of all, if he is willing and if so, on what conditions, to have, as is planned with the native peoples, a federal-provincial meeting to enable francophone groups outside Quebec to air their grievances as well? Secondly, if such a meeting is held, would it not be appropriate to invite Quebec's anglophone minority to the conference in order to dispel once and for all the preconceived ideas and misconceptions held in Canada on the constitutional rights granted this anglophone minority and to demonstrate how they compare with the absence of constitutional rights—education being the exception—facing francophone minorities?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, before giving a direct answer to the hon. member's question, I should like to remind him that the new Constitution, if and when it comes into being, does more for francophones outside Quebec than any other document ever considered or enacted in this country for 114 years. At the federal level, it recognizes official bilingualism and the equality of both language groups. It does this in all areas, at all levels executive, legislative and judicial. It does the same in the province of New Brunswick, for the Acadians of that province. It also acknowledges the right of all francophone language minorities in other provinces to be educated in their own language. I admit that there is a qualifying clause "when numbers are sufficient to justify", but I may remind the hon. member that Quebec itself insisted on this clause in the St. Andrews and Montreal accord in 1978. So I think that to start with, francophones outside Quebec should take time out to celebrate, but not too long, to recognize the fact that the rights for which they have been fighting for 114 years have been broadly recognized, entirely as far as education is concerned, and in any case at the federal level from "un Atlantique à l'autre" to quote Mr. Caouette, in all federal institutions. As far as the future is concerned, I have never objected and never will to meeting delegates from associations of francophones outside Quebec, in order to find out whether the conference suggested by the hon. member would be worth while, but I should like to point out to him that, at this stage, it is no longer

a matter of obtaining something from the federal government, since we have officially recognized language equality at all levels of federal jurisdiction. At this stage, it will be necessary to convince provincial governments to go a little further along the lines of Section 133 and other administrative provisions, as New Brunswick has done. So, a conference as suggested by the hon. member could only be worth while if the provinces agree to participate. This is more or less the answer I gave the member for Notre-Dame-de-Grâce-Lachine East, when I talked about a similar federal-provincial conference on native peoples. There is no need to convince the federal government—we have been fighting for this for the last 12 or 15 years—but to convince some of the provinces, and if the conference referred to by the hon. member could be instrumental in doing so, I shall certainly give it serious consideration.

* * *

• (1500)

[*English*]

POINT OF ORDER

MR. WENMAN—APPLICATION OF RULE OF URGENCY IN READING OF PETITIONS

Madam Speaker: A question relating to the process of how public petitions presented to the House and reported upon by the Clerk of Petitions may be thereafter dealt with was raised in the House, notably by the hon. member for Fraser Valley West (Mr. Wenman) and the hon. member for Hamilton Mountain (Mr. Deans). Last Wednesday I said I would look into the question and rule on it. I am prepared to do that today.

I shall not read the Standing Order to hon. members because I am sure they are well aware of it; it is Standing Order 67(8).

An examination of the history respecting petitions shows that long before Canada was settled the petition in the United Kingdom Parliament was an early form of the legislative instrument that became a statute when passed. This is to say, it was a document embodying a number of requests as articles and which became a statute by the simple process of combining a petition with its response.

What is referred to as the modern form of petitions grew up in the United Kingdom in the seventeenth century when Parliament had come to be regarded as a political and legislative body rather than as the highest court of justice. Petitions would ask for an alteration of the general law and an individual could, by petition to Parliament, pray for a redress of wrongs and expect an alleviation of difficulties. But the increased jurisdiction of the courts has permitted persons to institute proceedings in the courts to remedy wrongs and therefore the petition has fallen into disuse.

As Erskine May points out, the modern practice in the United Kingdom of the proceedings relating to petitions arose

as a result of the fact that the procedure in the House of Commons imposed little restriction on the raising of debate and the presentation of petitions; they served as a method of introducing subjects from outside the House and could be used for obstructing other kinds of business. Accordingly, in view of the great increase in the number of petitions, Standing Orders commenced in 1842 and subsequently amended made the presentation of petitions a formal proceeding incapable, except in rare cases, of giving rise to debate. They came in by the thousands. Debate is only permitted at the discretion of the Speaker when a petition relates to a present personal grievance requiring an immediate remedy.

Some idea of the infrequency of the Speaker's discretion being invoked to permit discussion is demonstrated by the fact that the last time the Speaker permitted debate was in 1844, when a petition claimed that letters were being secretly detained and opened by the Post Office. The precedent also provides us with some idea of what constitutes a present personal grievance for purposes of permitting debate.

While in the United Kingdom no formal report is presented to the House, it is not customary for members to submit petitions to the clerk of public petitions for scrutiny before presentation in the House. Following that, the present U.K. practice provides that a member, when presenting a petition, may read the prayer and make a statement as to the parties from whom it comes, the number of signatures and its material allegations. It may also be read by the Clerk. To proceed with it further, however, unless privilege is involved, the Speaker must find that the complaint relates to a present personal grievance.

This, however, is not quite the practice that has developed in this House. While in 1970 a member presenting a petition was denied the opportunity of explaining what the petition was about, the practice was subsequently developed for members to give a brief explanation of its content, from where it comes and the number of signatures. This is allowed today. While the substance of the petition may be set out by way of explanation when presented, the practice that developed once the report of the Clerk of Petitions had been reported is not to permit the petition to be read unless the House agrees by unanimous consent to do so.

Preliminary to seeking such consent, however, the Speaker must be satisfied that the content is a proper subject for a petition. Otherwise it will not be received, and for that matter the Speaker will have to be satisfied that it is receivable, whether or not there is a desire to have it read. In other words, the Clerk of Petitions certifies only as to the form of the petition; that is, that it is properly addressed and that it contains the formal prayer.

The Speaker having been satisfied that the petition is receivable, to permit the petition to be formally read would arise only where the member advises the House that the petition relates to a present personal grievance and he wishes to have it discussed, and the Speaker is satisfied that the prayer does relate to a present personal grievance requiring an immediate remedy. Otherwise, where there is no allegation that the petition relates to a present personal grievance, the unanimous consent of the House would be required to have it read by the Clerk.

With respect to the subject matter of the petition of the hon. member for Fraser Valley West which he suggests relates to a present personal grievance requiring an immediate remedy, the hon. member will appreciate that, while high interest rates are a very serious matter, and whatever their cause, the petitioners are affected by them in common with many other citizens.

It seems to me, however, that the type of present personal grievance that the Standing Order has in mind is something akin to what was alleged in the 1844 United Kingdom case where the complaint was that one's mail was secretly detained and opened. In other words, it was personal in the sense that it did not arise as the result of the general law or, for example, as a result of the vagaries of supply and demand or as a result of the forces in the marketplace.

Second, the grievance would be one which could be alleviated forthwith rather than one which would require legislation or some other action, which is the case where interest rates are asked to be altered. In other words, the complaint of high interest rates is the very subject matter of a petition envisaged by Bourinot when he wrote, in 1916, and I quote:

> The subjects embraced in these petitions are of a most varied nature. When the public mind is greatly interested in some question large numbers of petitions are presented in both Houses both for and against proposals which are being agitated in Parliament and in the press. This privilege is properly highly appreciated and in many instances assists Parliament in forming its opinion and in taking appropriate action.

● (1510)

But in order to discuss a petition in the House, both here and in the United Kingdom, in view of the great increase in the number of such petitions to either House, the rules mentioned earlier were laid down. Accordingly, while the subject of the petition the hon. member has presented is a very serious matter, one with which I may have the greatest sympathy, and while also it is certainly one of the very uses for which the practice of petitions arose, I am constrained by the long-standing practice both here and in the United Kingdom to say that it is not one where the Speaker has traditionally exercised discretion and permitted debate.

Mr. Wenman: Madam Speaker, I have a point of order on the Speaker's report. I would first like to thank the Speaker for her very thorough attention to this matter which is of grave concern to me in respect to the role of a private member in this House of Commons. In view of the detail and the time with which she has gone into this matter, I would want to reserve comment subject to studying the report. I would ask her—

Some hon. Members: Oh, oh!

Mr. Wenman: The point of order is, what is the—

Madam Speaker: Order. I am having quite a hard time in getting the hon. member for Fraser Valley West to understand that, unfortunately, although I would enjoy the discussion once the Speaker has ruled, the Speaker may not entertain com-

ments or even points of order on the ruling. Therefore, the hon. member, even if he is giving me notice, should know that I will not be able to hear him.

Mr. Wenman: What I would ask then is that the Speaker refer the subject matter of the Speaker's report to the committee on rules and procedures.

Mr. Pinard: Shame! Don't do that.

Madam Speaker: Again, that would require unanimous consent. The hon. member would have to make a motion, I suppose. If the hon. member will now put it in the form of a motion, I will put it to the House; or else he can give notice of a motion for another date.

Mr. Wenman: Thank you for your ruling, Madam Speaker. I shall take it under advisement and prepare a motion at another appropriate time.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Friday, November 6, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. NIELSEN—RECOGNITION OF MEMBERS

Hon. Erik Nielsen (Yukon): Madam Speaker, this question concerns the matter I raised last week with respect to the microphone switching. While the matter arose out of a specific incident, before making my case to the Chair I want to emphasize that whatever I say with respect to those events, which will not be much, I do not want to be interpreted in any way as a reflection on the Chair's ruling in that particular case, because that would certainly not be my intention. Similarly, I do not want my following remarks to reflect in any way whatsoever, on the conduct of the ladies and gentlemen who operate the electronic console to my upper left.

Madam Speaker: Let me interrupt for a minute to tell the hon. member that yes, this is a question of privilege raised on the matter of the microphones, and that the hon. member knows the rules well enough to know that as long as he keeps away from the matters on which I have ruled—that is to say, who has the right to answer a question, who determines who is supposed to answer a question and how the Speaker has to be neutral as to the possible double interpretation of a question—he can speak about the question of the microphones quite freely, and I certainly welcome his comments.

Mr. Nielsen: That, indeed, is my intention, although in my submission there will be one brief reference to that particular incident. However, when I have been heard out, it will be readily discernible that my main submission will concern the equality of hon. members in this House, the dangers of what I perceive to be the overtaking of technological progress which has been introduced to our House machinery, the prerogatives of the Chair, and, hence, the rights of hon. members.

One of the most basic powers or discretions of the Chair, which was referred to at the time of the last incident, is the right to decide to recognize during debate, including the question period, those hon. members who wish to participate therein. This applies, may it please the Chair, to both the questioner and the respondent. The use of this discretion ensures order and gives all hon. members the confidence that they are being treated equally. This is the main theme of my presentation today.

In my submission, this discretion which resides solely with the Chair should operate without any reference at all to the sound amplification system in this place, and the sound system should have no effect as to who is recognized and who is not. I have ensured that inquiries have been made of the individual switching systems in order to be sure of my facts.

The switchers should follow the direction of the Speaker at all times. The Speaker alone is sensitive to all the procedural considerations involved in recognition. In my submission, the switchers should have no influence or discretion at all—and there can be no room for either—with respect to influencing the proceedings on the floor.

In my submission, the same principles of operation have applied or, at least, should have applied, regardless of the sound system. From 1954 to 1964 there was in this chamber a system of microphones which hung from the ceiling and which a switcher controlled by zones, which included whole areas where hon. members on both sides of the House were sitting. From 1964 until 1977 there were two different systems, both featuring only one microphone per desk. Since 1977 we have had the present system with two microphones on a desk or one microphone on each desk of the pair.

In theory, as far as most members were concerned, these mikes simply went on when the Speaker recognized an hon. member who rose, regardless of the hon. member's position or function in the House or government. If the Speaker did not actively, *viva voce*, recognize an hon. member, that hon. member had no sound.

In my submission, it is now clear that there has been an important change in the interaction between the Speaker and the microphones, one which was never discussed in the House and which might have been very closely examined if it had been heretofore suggested. Perhaps with the introduction of television, or with the transfer of the switching function which occurred on January 2, 1981, just this year, from electronic services to the broadcasting service, which they probably do

not want, switchers exercise a discretion which they should not have, in my view, whether or not they want to acquire it.

Some of the old guidelines still seem to apply. All the other microphones go off if the Speaker rises. I can see no problems with that at all. Indeed, it is an electronic compulsion to be seated. There is nothing wrong with that.

Second, no questioner on this side has his microphone turned on unless actively vocally recognized by the Speaker. However, the Speaker at one time called upon a minister to reply to a question. You will recall that this aspect was discussed in connection with the previous incident. But this no longer happens. If two ministers want to rise, they have to sort themselves out. Indeed, this happened last Friday when two ministers rose simultaneously and stood for quite some time before the Minister of Regional Economic Expansion (Mr. De Bané) finally was the chosen one by mental telepathy. This is not a great problem.

● (1520)

A problem does arise if a minister rises to answer a question put to a backbencher, whether that question be put to a backbencher on either side of the House—because there are backbenchers who act in a certain capacity where questions are perfectly proper to be put to them. It is evident that the switchers simply keep to the practice—and I emphasize that the switchers are now keeping to the practice—vis-à-vis cabinet ministers, of allowing the floor to the most senior person desiring to respond. In my submission, that is the exercising of a discretion by the switchers which should be exercised by the Chair. This practice might be appropriate within cabinet, but in my submission it is completely inappropriate between a cabinet minister and a committee chairman.

Therefore, because a backbencher is very unlikely to try to outlast a minister in asserting his right to the floor, particularly if the minister's microphone light goes on and his does not, we have a serious procedural decision being made by someone who is not trained in procedure, indeed by someone who is not even an officer of the House, let alone the individual occupying the Speaker's chair to whom that discretion is exclusively reserved at the special request of all hon. members of this House.

I emphasize that members have reposed their confidence in the occupant of the chair. They have not reposed their confidence, perfectly competent though they may be, in those who operate the electronic controls in this House. That responsibility belongs to the occupant of the Speaker's chair and to no one else.

The independence of committees as a result is threatened. But even more important, the equality of members is erased. A great discrepancy between the prerogatives of the government and those of the opposition is brought into being, and I want to highlight some examples.

If the Speaker does not personally make a choice but allows the situation to sort itself out with the microphone operator deferring, in cases of doubt, to seniority, does this mean that, first, any time a committee chairman rises he can be superseded by any occupant of the treasury benches, however much the question concerns the work of the committee rather than the work of the House?

Second, does it mean that a cabinet minister can seize the floor even if it is an opposition committee chairman who has been asked a question?

Third, does it mean that at any time a committee chairman is asked a question, any cabinet minister can take the floor if he is also concerned with the subject matter?

Logic would seem to compel an affirmative answer to all of those questions. If these advantages are to go to the government side through the growth of what I conceive to be an unwarranted growth of the microphone precedent—and perhaps we have not been alert enough in this House to have seen it happening because it has been happening by stages—are there to be any corresponding advantages accorded by the switchers to the opposition side? That is what it comes down to.

For instance, if I might parallel the previous hypotheses that I put to the Chair, will senior frontbenchers be able to rise and put questions cutting off backbenchers without the need to be recognized by the Chair, simply because they are closer?

Second, will the Leader of the Opposition (Mr. Clark) automatically be recognized for a question any time it is the Progressive Conservative Party's turn for a question and have his microphone turned on without the need for Madam Speaker to say anything?

Third, will the Leader of the Opposition, the Opposition House leader or a senior frontbencher be able to answer a question put to an opposition committee chairman if the question affects party policy or House strategy?

Logic would seem equally to compel a negative answer to all of these questions. Therefore, it is clear that the inequality between members and their right to recognition has been evolving slowly and I submit must be reversed by this House.

I believe this is a serious question for all members outside the cabinet, one which will lead to serious difficulties for members and for this House as a whole if it is not examined. I believe discrimination among members which has developed should be carefully examined by the Standing Committee on Privileges and Elections. Therefore, if you find a prima facie case of privilege—and I would certainly suggest that the circumstances, never having been considered by members, or by the House, perhaps it might commend itself to a decision that there is such a prima facie case here—I would move that the matter of the guidelines provided to those persons switching on the microphones in the House of Commons allowing members to speak—and to be heard, I might add—and the question of whether all hon. members are treated equally when they seek the floor, be referred to the Standing Committee on Privileges and Elections to enable that committee to investigate the adequacy and the appropriateness of those guidelines, and report thereon to the members of this House.

I should also also say that for some time I have been concerned about the operation of electronic *Hansard* by means

of the television cameras and the still cameras behind the curtains, which I understand even after a limited three month intended experimental period are still with us. I am looking into the development of that aspect. I am concerned whether or not the guidelines that were set out in the resolution installing electronic *Hansard* by way of television cameras in the House are being followed. I will likely have a further question of privilege with respect thereto when I have completed my research. I merely flag the matter now so as to bring to your attention our concerns that there are very serious questions to be raised in this area of technological change and advance which may well have overcome, dangerously so, the procedures and practices in the House. I will raise these matters probably following the Remembrance Day recess. In view of that, you may wish to defer today's question and decide upon both at the same time, Madam Speaker.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I have listened with interest to the remarks made by the hon. member for Yukon (Mr. Nielsen), and I do not find that he has a question of privilege at all.

Mr. Deans: It is not up to you.

Mr. Smith: The remarks which the hon. member made are to be found in *Hansard* for November 4, 1981 at page 12503. He said:

> I asked that my microphone be activated. I know that the operator heard me ask because he shook his head and made a gesture of helplessness because it had to be your decision that the microphone be turned on.

The only conclusion I can draw from these remarks is that somehow the hon. member for Yukon was under the delusion that somebody other than yourself could recognize him.

It is important to bear in mind Standing Order 12, which refers to the Speaker preserving order and decorum. It is also important to bear in mind Standing Order 28, which reads:

> Every member desiring to speak is to rise in his place, uncovered, and address himself to Mr. Speaker.

Citation 117 of Beauchesne states, with reference to the Speaker:

> He calls upon members to speak—

● (1530)

What could be clearer than that? It is certainly not the operator of the microphone system who calls upon a member to speak; it is the Speaker who does so.

If one looks at Erskine May's seventeenth edition at page 247, one will see that it states in reference to the Speaker "that he calls upon members to speak, a choice which is now never disputed." That is the phrase that is used in Erskine May to describe the duty of the Speaker in this situation. It sounds to me today as if somehow the hon. member for Yukon is in fact disputing that.

Also in Erskine May, at page 436, we find the following:

> In so large and active an assembly as the House of Commons, it is absolutely necessary that the Speaker should be invested with authority to repress disorder and to give effect, promptly and decisively, to the rules and orders of the House.

What sort of disorder would we have if we had a bunch of members calling up to the operator of the microphone system? I am not clear as to the point the hon. member is trying to make. Is he somehow attacking the probity of the employees? If so, I would state that that is highly irregular and most unfortunate because they are not in a position to defend themselves and the judgments which they make. I would submit, in fact, that they do not make any judgments. They simply seek your guidance as to who in fact is being recognized.

It would seem to me there is no question at all as to what the question is on any other issue than perhaps those issues which may arise during the question period. It would also seem to me that on that particular issue you have ruled, and you did so last week or it may have been the week before. The position you took was that it was up to members on the government side to ascertain among themselves who was in fact going to answer a question, regardless of to whom it may have been specifically addressed.

The criteria which may be used by members on the government side as to who will defer or not defer is something in which the Chair does not become involved. The criteria as to who is going to answer are ascertained and set by members of the government as between themselves.

I submit that with regard to anything other than question period, Beauchesne, Erskine May and the Standing Orders are all quite clear; the Speaker calls upon members to speak. The role and function of the operator of the microphone system is simply to carry out the instructions of the Speaker, and that presumably would be to activate the microphone of whichever member has been called upon to speak.

Having regard to whose microphone is to be turned on in question period in response to a question, that is something you have already ruled on and made quite clear. I am staggered that the hon. member for Yukon has indicated he may wish to pursue a further question of privilege, because I submit he does not have one here.

Mr. Ian Deans (Hamilton Mountain): Briefly, Madam Speaker, I must confess that the argument by the hon. member for Yukon (Mr. Nielsen) was fairly long, quite involved and a little difficult to follow in all of its content. The question, as I understand it, is with regard to what has occurred simply because of the introduction into the House of Commons of these new-fangled electronic devices and how one deals with them. I am sure that from time to time we will have to take a look at how procedure develops when we introduce newer methods of communicating. I am sure also that we have to be cognizant of the fact that, with the introduction of the microphone system, which has been here for some time, the method of catching the Speaker's eye and being recognized and the concurrent responsibility of those who operate the

switches in another part of the chamber becomes even more complicated. I suggest, however, that we ought not to dwell unnecessarily long on this point.

The question that was raised last week, on which the Speaker has already ruled, is now a matter of history, and has established a precedent that we will follow for some time to come, I hope. It at least has clarified any question that might have arisen as a result of last week's misunderstandings. I do not really see how it would be possible, short of the Speaker's being put in the position of having to identify individually who is required to answer, for the system to work any differently from how it now works.

I want to suggest that, on balance, it works very well. The people who operate the switches that turn the microphones on and off do so with a great deal of care, and they maintain an alertness that is to be complimented. I am a little concerned that, in spite of the fact that it is stressed that this is not be considered a criticism, it cannot be seen as other than a criticism, which in my judgment is unwarranted and unjustified.

We would all like to be recognized from time to time, and there are times when we are not when we feel we ought to have been; but that is the prerogative of the Chair, and as long as those who operate the microphones turn on the one they are supposed to turn on at the time the Speaker identifies which microphone is to be activated, then we have no complaint about the way in which they do their job and they ought not to be drawn into debate on the floor of the House.

Mr. Nielsen: Madam Speaker, I rise on a point of order because of some unwarranted remarks by the hon. member for Hamilton Mountain (Mr. Deans), who asserted just a moment ago that my remarks with respect to the conduct of the switchers cannot help but be seen as being critical. He has no right to question the word of an hon. member given in this House of Commons. When I preface my remarks by saying that I intend no criticism of the switchers, he must accept that, and I thought he would have had the good grace to do so.

In the meantime, I did send you a copy of a proposed motion should you decide that the whole question merits some consideration by a standing committee of the House representing the privileges of all members. It might commend itself, and I would not be at all averse to your Table advisers altering its wording, if that would make it more acceptable, to an examination in depth of this whole question which has never before been examined by a member's committee.

Madam Speaker: I will try to deal with this matter in as much detail as I can in answer to the problems that have been put forward by the hon. member. I happen to think that the introduction of the sound system in this House has not had a bad effect on the traditional equality of members in terms of their right to express themselves. As a matter of fact, I believe that the introduction of these electronic devices has been done quite well, and I might add has been done through the co-operation of all parties in this House and with the help of those members of the different parties who had been delegated to the special committee that studied the whole matter of introducing broadcasting in the House of Commons. They should be commended for the way they have allowed us to introduce broadcasting in this House, because the system in my view, and in the view of many people who have come to visit our country, is working quite well. We have succeeded in giving an electronic interpretation to the application of the Standing Orders and the manner in which the electronic devices are activated in order to reflect what our rules really mean. It still remains in this House that the only way for a member to be given the floor is to be recognized by the Speaker.

• (1540)

The microphones are only activated when the Speaker recognizes a member by the name of his constituency. That remains the only way to be recognized in the House. It has nothing to do with the matter of a microphone in front of a member being open or not.

The hon. member is arguing that because microphones in front of a member are sometimes activated he might be compelled to speak, and therefore being compelled to speak he would automatically have the right to speak. But unless the Speaker gives him the floor and gives him the right to speak, he does not have that right.

Another way in which the Speaker might give someone the right to speak is to act negatively. That is to say, during question period, where I do not normally recognize a minister to answer a specific question, if the Chair feels that a question does not relate to a minister's departmental business, the Speaker would intervene and not allow that minister to answer the question. A member should not feel that he automatically has the floor because the microphones are open in front of him. For instance, the other day an hon. member was seeking the floor and because I had not yet recognized him the microphone had not been activated. Therefore, he was not able to be heard in the House. In a case where a member would begin to speak solely because he had the microphone open in front of him, the Speaker would intervene in order to restore order in that situation.

The Speaker has perfect control of those switches, I might add. Perhaps this is a technical detail which some hon. members are not aware of, but I have two buttons on my chair. One button switches my microphone on. If I were trying to bring order to the House and could not be heard and for some reason or other the console operator could not activate my microphone, I have the possibility of putting my own microphone on. I have another button which completely controls the sound and shuts it off if an hon. member who was speaking in my view did not have the right to speak at that particular time. So despite the fact that the hon. member for Yukon is arguing that the operator of the console may have certain discretion in activating one microphone or another, I have the ultimate discretion. The control of who has the floor in the House has remained entirely in the hands of the Speaker, which I believe is a clever interpretation on the part of those members who

studied the introduction of the broadcasting system in the House.

There was some confusion which arose the other day, but I have ruled on that particular circumstance. I repeat, the console operators make no decisions. They activate the microphones on my instructions, and I still control members who may or may not speak in this House. Should there be an error, I have the possibility of correcting that error by turning off the microphone.

Moreover, it is quite clear and I reiterate that a chairman of a committee may answer a question; but he may also not answer a question if he so chooses. The Speaker has no way of forcing or obligating a chairman of a committee to answer a question. A chairman of a committee remains free to express himself or not to express himself in the House. If he does not want to answer a question, even though the question is narrow enough that the Chair should allow it, a chairman of a committee is free not to answer the question.

If last Wednesday the chairman of a committee had been a member of the opposition, it is possible that a member of the opposition would not defer as readily to a member of the government. But that is not of the making of the Speaker. The other day we had a situation where the chairman of the committee deferred to a minister of the government. If it had been a chairman who sits on the opposition side, perhaps he would not have deferred so readily to a minister of the Crown. The reasons for that would appear obvious to anyone who sits in this House.

I am grateful to the hon. member for Yukon for raising these points because it is always good to question certain practices; but it seems to me that the system has been working very well and I cannot accept the points raised by the hon. member.

The hon. member for Yukon has raised a number of hypothetical questions, such as if it had been the Leader of the Opposition (Mr. Clark) or a chairman on the opposition side, etc. I have to remind the hon. member that the Chair cannot rule on hypothetical questions. However, it is beneficial to look at hypothetical questions because they might occur exactly in the way the hon. member has described them today. I would be happy to give them some thought in case I had to rule rapidly in the House on one of those questions.

I find I have to rule him out on privilege on the matter he has raised, but if he would like the question to be studied further, his motion is quite appropriate and he could move a notice of motion to be discussed in private members' hour. That would be the proper time to do it. But on the question of privilege, I must rule that I do not find a prima facie case.

Mr. Nielsen: Madam Speaker, I certainly do not want to follow the course of a private member's motion. Since it affects all hon. members, I consider the matter to be serious enough for me to ask that perhaps it be placed on the agenda of the next House leaders' meeting to see if we cannot get an all-party agreement after we return from the Remembrance Day ceremonies.

In the meantime, Madam Speaker, I was rather curious to learn that the decision to establish the sound system here as part of our House of Commons function was made some time before the setting up of the broadcast services, the TV and electronic taping, and it was kept separate under the switching function called, I believe, the switching branch under the jurisdiction of the Chair. On January 2, 1981, the whole function of the sound system of this place was transferred to the jurisdiction of the broadcasting service of this place. I have not been able to trace the history and authority for that. I assume it would have been under the authority of the Chair, but I was wondering whether this decision had gone before any standing committee or special committee of the House before it was made, or even if my predecessor, the hon. member for Nepean-Carleton (Mr. Baker), had been consulted. That is a point which concerned me as well.

Madam Speaker: I cannot answer that question. I would assume that the consultations were had because that broadcasting commission—no, I think it was dissolved a little before that date, so I do not know about the consultations. I still feel that the decision that the Speaker remain entirely in charge of the broadcasting system is the right one. I am sure the hon. member does not want to question that.

• (1550)

There is just one other detail I want to discuss with the hon. member. He mentioned that before we televised the proceedings in this House, the sound system operated by zones. We have the same thing today. When an hon. member rises, sometimes two microphones are switched on. When an hon. member stands in the aisle, the microphones on either side of him are open. That does not mean two members in that zone can speak at the same time, but in order to produce a more effective sound the console operators apparently create a zone when an hon. member rises. Another microphone is switched on. This is not always so; it depends on where an hon. member stands. If he stands in front of his seat, I notice that only one microphone is open, but if he stands in the aisle, sometimes microphones on either side will be open. Zones are created because that is a necessity if we want quality sound, and I suppose we have to leave that decision to the operators at the console because we do not know much about the quality of sound and they do.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. JELINEK—PLIGHT OF HOME OWNERS

Mr. Otto Jelinek (Halton): Madam Speaker, I happen to be the first member to present a petition since your new ruling

regarding petitions, and I hope I will be able to abide by the ruling.

I have before me the names of 4,012 constituents of my riding of Halton who are indeed concerned about the insensitive attitude of the government toward the plight of home owners and the very real threat of their losing their homes because of high mortgage rates. I would like to present these 4,012 names as a petition to this House of Commons, demanding that the Minister of Finance (Mr. MacEachen) include in his forthcoming budget provisions that will alleviate the economic burdens that high interest rates have created for unsuspecting home owners and/or potential home owners.

* * *

PENSION ACT

MEASURE RESPECTING APPEAL PROCESS FOR VETERANS

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-641, to amend the Pension Act (administrative delay).

Some hon. Members: Explain.

Mr. McKenzie: Madam Speaker, I wish to make just a few brief remarks respecting the bill I am introducing today. This bill would amend the Pension Act. It would impose a 90-day limit at the initial stage and a 45-day limit at each of the two levels in the appeal process. If a decision was not made within any of those periods, the applicant veteran would automatically be awarded the full amount claimed by him.

What this means is that the Department of Veterans Affairs would have to complete all three stages of a veteran's pension application within six months. If it can be done within 90 days in the United States, surely to goodness we in Canada can do it in six months. At the present time it takes an average of 46 months to process a pension application, and this is totally unacceptable to hon. members on this side of the House and particularly to members of the Conservative Party.

I am limited in what I can present in a piece of legislation, but the Minister of Veterans Affairs (Mr. Campbell) and the government are not limited in what they can present in a piece of legislation. I hope the McCracken study will be completed by next month and that the Minister of Veterans Affairs will introduce a piece of legislation similar to legislation in the United States, so that we can have a process in Canada whereby we can process pension applications within 90 days and not five years.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,316, 2,390, 2,664, 2,698 and 3,012.

[*Text*]

THE NATIONAL

Question No. 2,316—**Mr. McKenzie:**

Was a decision made to change the time of the Canadian Broadcasting Corporation's newscast "The National" from 11 p.m. to 10 p.m. and, if so (a) on what premise (b) what will be the cost and in what manner will it be paid?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: It was announced by the CBC in March, 1980 that "The National" would be telecast at 10 p.m. on week nights. This change is expected to take place early in 1982.

(a) The decision was made following a thorough study which concluded that 10 p.m. was the best time in the evening schedule for the CBC's national information program, in part because the total viewing audience at 10 p.m. is estimated at 7½ million, compared with 4.2 million at 11 p.m. The earlier time also makes it possible to mount a major daily current affairs program immediately following "The National". This program will run until 11 p.m. on week nights and, with "The National", will provide a full hour of comprehensive news and current affairs coverage at a convenient time for most viewers.

(b) The basic cost of "The National" will remain unchanged.

CBC EXPENDITURES

Question No. 2,390—**Mr. Herbert:**

What percentage of the total expenditures of the Canadian Broadcasting Corporation was spent (a) in Quebec (b) outside Canada in the last year for which figures are available?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: In the fiscal year 1980/81: (a) 32.35 per cent; (b) 0.39 per cent.

NOTE: Re (a)—relates to expenditures in Quebec in respect of the following: French services division, Montreal English services, Ottawa area, northern service and head office, Radio Canada International, and engineering headquarters.

Re (b)—relates to CBC's foreign offices.

FATHERS OF CONFEDERATION MEMORIAL CITIZENS' FOUNDATION

Question No. 2,664—**Mr. Herbert:**

1. Did the government provide funds to the Fathers of Confederation Memorial Citizens' Foundation and, if so, in what amount, on what date and under what conditions?

2. Is there an arrangement for continuing the funding and, if so, what are the conditions?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communi-

cations is concerned, the reply to the above question is as follows:

1. Yes, $2,800,000 between 1962 and 1964, on condition that the remaining 50 per cent of the estimated construction cost be forthcoming from the provincial governments and the private sector.

2. There is no arrangement for continued funding to the Fathers of Confederation Memorial Citizens' Foundation.

CANADA COUNCIL

Question No. 2,698—**Mr. Young:**

What was the total operating budget for the Canada Council in the fiscal year 1980-81 and what amount was allocated for (a) administrative costs (b) commissions of inquiry into the arts (c) disbursements of grants to artists?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canada Council as follows: The Canada Council's total expenditures amounted in 1980-81 to $52,645 million, not including a $654,000 item for the operation of the Canadian Commission for UNESCO. These were broken down as follows:

(a) Administration	8,903,000
(b) Commissioned studies	49,000
(c) Grants and services to artists and arts organizations	43,693,000

COMPENSATION FOR PROPERTY SEIZED IN CHINA

Question No. 3,012—**Mr. Cossitt:**

1. Did the Secretary of State for External Affairs conclude an agreement with the People's Republic of China to compensate certain Canadians for properties seized from Canadian owners after the 1949 revolution and was the total amount of compensation $340,000?

2. Does the figure of $340,000 represent a full amount of all claims by Canadians and, if not, what was the full amount and for what reason did the government settle for less?

3. What is the total estimated value of all property and goods lost by Canadians as a result of seizure in China after the 1949 revolution?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes.

2. No. The figure of $340,000 represents a realistic assessment of compensation obtainable from China for Canadian claims in light of documentary and other evidence surrounding the claims.

3. It is impossible to determine with any exactitude what the total value of all property and goods lost is. The agreement deals only with provable claims of eligible Canadian citizens submitted to the Government of Canada.

[*English*]

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

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

Hon. Pierre Bussières (for Minister of Energy, Mines and Resources) moved that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the third time and do pass.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I am particularly pleased to have this opportunity to speak during the third reading stage of Bill C-48. Indeed, this is something of an historic occasion in that it was a year ago that the National Energy Program was tabled in this House. The bill on which we are now embarking at third reading will put into place significant parts of that total program.

The importance of the bill now before us can hardly be overestimated. It is a key element in the total National Energy Program. The bill provides the essential framework for the careful management and successful development of the tremendous petroleum potential of the Canada lands, those federal lands in the north and offshore.

At the same time, the bill provides for the people of Canada an equitable share in the development of their own petroleum industry while helping to ensure that that development is carried out with the greatest regard for the safety and integrity of the people and environment of the frontier areas.

Debate on this bill both in committee and in this House has been thorough and fruitful. A number of members from both sides of the House have worked hard to bring forward useful suggestions which have been incorporated as amendments in the legislation now before us.

The NEP has come a long way in the past year. There have been disagreements about what we are attempting to do, and we have resolved many of them. As part of the National Energy Program we took a major step forward recently with the conclusion of agreements with the governments of Alberta, British Columbia and Saskatchewan. Those agreements are of great importance because they allow Canadians to get on with the job of creating our energy security. However, they are important for another reason. They show that, despite differences of opinion, two levels of government in Canada can sit

down and negotiate and find common ground to resolve such differences. This augurs well for the future of federal-provincial relations.

At the time we signed the agreement with Alberta there was much discussion in our media about who had won and who had lost.

Mr. Waddell: Consumers lost.

Mr. MacLaren: I believe, as the Minister of Energy, Mines and Resources (Mr. Lalonde) said, that both the Government of Canada and the Government of Alberta won but, more importantly, the people of Canada won.

One characteristic of our position throughout the discussions with the provinces was that we were always willing to moderate our approaches, but we held fast to three basic principles underlying the National Energy Program: security of supply, a greater opportunity for Canadians to play a role in their own oil and gas industry, and a fair system for the sharing of petroleum revenue. Those principles emerged from the negotiations even stronger because they now have the clear support of both levels of government, including the support of governments which had opposed them in the past.

• (1600)

During the long committee hearings on Bill C-48, it was suggested by some members that the legislation was somehow an attempt to shift the attention of the petroleum industry away from Alberta to the frontier areas. Some members asserted that the government was attempting to try and push through legislation for the frontier lands while leaving major questions with the government of Alberta unresolved. As the agreement with Alberta proved, there was no validity to that charge.

Because of our agreement with Alberta, the prices of gasoline and home heating oil will rise, gradually and predictably, under a made-in-Canada formula which will ensure that Canadian prices are kept well below the world levels and yet will provide the government and industry with those revenues necessary to achieve oil self-sufficiency by 1990.

We have met our commitments to the Canadian consumer. Compared to the Conservative budget of 1979, by 1984 wellhead oil prices will be lower, natural gas prices will be lower and prices at the pump will be lower. By 1984 the Conservative budget price for a barrel of conventional oil would be almost 30 per cent above our settlement price with Alberta. Similarly, natural gas prices will be more than $3 lower per thousand cubic feet than under the Conservative budget.

Further, we achieved protection for Canadians against sudden OPEC price increases by setting a ceiling of 75 per cent of the projected international price. That is indeed a good deal for Canada. As I said, we have come a long way. However, there is still some way to go. Having completed our discussions with the provinces of western Canada, we are currently engaged with Newfoundland and Nova Scotia in seeking solutions to some differences that have existed between us with regard to our offshore resources. We are confident that the spirit of finding common ground that came to characterize the negotiations with Alberta and the other two western provinces will also be characteristic of the negotiations with Newfoundland and Nova Scotia. Certainly we for our part will do everything reasonable to ensure that this is so.

The agreement reached with the western provinces on pricing is important to petroleum development in the Atlantic offshore in that it creates a special price for what is now commonly called new oil. This price recognizes that new development, particularly oil sands and frontier projects, faces high costs. An extra incentive is needed to encourage the operators of these massive projects to commit themselves to the sizeable and innovative production and distribution systems that they will necessitate.

If offshore oil was ready now, it would be worth an estimated $46 a barrel. However, offshore oil will not begin production until 1986 or thereabouts, at which time such oil will fetch a higher price. "New oil" prices are higher than those offered for older, conventional oil, reflecting the reality that potential producers of new oil must see the prospect of an attractive return on their investment if they are to put up the dollars needed to bring these new supplies on stream.

The government has faced its responsibility to ensure that oil self-sufficiency is achieved in such a way that the benefits exceed the costs of this enormous undertaking. I refer to the costs and benefits in the broadest economic and social terms. In measuring them, the government had to take into account a truly national interest which is different from the interests represented by the other participants in the petroleum field. By definition, our task is more onerous and complex than that faced by the petroleum industry or any other industry, or by the oil producing provinces or any other provinces.

I should like briefly to recall for the House the situation that confronted the government when the National Energy Program was developed. We knew that higher Canadian oil prices were inevitable, largely as a result of external developments over which Canadians had no control. We saw the benefits of those increases going to an oil industry more than 70 per cent foreign-owned, an industry which had become a net exporter of capital in recent years. It was also an industry which, in spite of the spectacular oil price and cash flow increases of the 1970s, had been unable to sustain Canada's domestic oil production.

Conventional oil reserves have declined by more than one third during the past ten years. Geological prospects for new conventional oil discoveries in western Canada do not suggest any major change in that trend. On the contrary, conventional oil production in western Canada has been projected to decline in the 1980s even if oil exploration continued at a feverish pitch.

One can see why the government began to question the merits of immediately raising conventional oil prices toward world levels. The benefits in terms of additional conventional oil supplies would be relatively small for basic geological reasons. Further, the cost would be borne by Canadian con-

sumers while the benefits would not be fairly shared by Canadian investors because of the industry's ownership.

That was one part of the picture. We also knew that the bulk of Canada's future oil and gas would be coming from the oil sands and the frontier regions to which Bill C-48 applies. We knew that most of these oil and gas lands, the Canada lands, were leased to foreign-controlled companies. It was therefore likely that the progress made in recent years toward increased Canadian ownership of our own petroleum industry would be stalled or even reversed in the future as these new multibillion dollar supply projects were developed.

We faced then a jigsaw puzzle of problems, but with one common theme. They all related to the necessity for a dynamic energy program in Canada in the 1980s and beyond. For our part, we developed a program that embraced that necessity in the most careful and comprehensive way.

In pursuing our oil self-sufficiency target, we shall spend several billion dollars on oil substitution and conservation programs during the decade of the 1980s, an estimated $3 billion of that by 1983 alone. We aim to reduce oil consumption to 10 per cent of the total energy demand in the residential, commercial and industrial sectors by 1990. We are convinced that it can be done. Saskatchewan and Alberta have already achieved that target.

Even with the massive switch away from oil, there will be a need for huge new investments in additional sources of oil and in other forms of energy. The agreements with the provinces provide that there is a stable foundation for such investments. Our energy program affirms the principle that Canadians are entitled to share more fully in the growth of their own petroleum industry, but also seeks fairness for all Canadians in oil pricing and revenue sharing. These goals are entirely compatible with our achievement of oil security.

There is a much more basic question than compatibility. Opportunity and fairness are prerequisites for the achievement of our oil security. This is not only because the government has made a decision to that effect. Most Canadians would simply not tolerate the national economic, social and political costs of an energy policy that threw more money at the industry in the hope of increasing supply, while not doing anything to lessen demand or create increased opportunities for Canadians themselves in their own petroleum industry.

● (1610)

One way or another, Mr. Speaker, energy development will demand a large share of our wealth over the next years. The government is determined to create the environment in which the necessary growth can take place. In that respect some comments by the president of the Investment Dealers Association are especially pertinent. He stated recently that this country stands on the verge of the largest and most challenging two decades of new capital investment in its history. He estimated that Canada will need $1.5 trillion of new investment between 1981 and 1990, 36 per cent of which will be made in the energy field.

Those are staggering figures, Mr. Speaker. The figures might prompt some to wonder whether Canada can generate enough investment itself to meet those needs. The president of the Investment Dealers Association is optimistic that 94 per cent of the $1.5 trillion required can be generated here in Canada, with a mere 6 per cent imported. I should like to quote the president because he made a particularly telling point that all of us should keep in mind. The president noted:

All of us should be planning and preparing now for a world of opportunity and growth.

In the National Energy Program, we put a great deal of emphasis on opportunity. Canada has in place the most generous fiscal incentives for exploration of any jurisdiction we know of. It provides Canadians with encouragement to participate in the petroleum industry. We added to this base a sliding scale of direct grants into the new incentive system designed to give the greatest benefit to those who are most vigorous in exploration and who raise their Canadian ownership level to be eligible for the grants.

For the maximum incentive grants in 1981, the minimum standard is Canadian control and at least 65 per cent Canadian ownership. This standard will rise to 75 per cent by 1986. The maximum grants payable under our incentive program are 80 per cent of exploration costs in the frontier regions, a powerful encouragement for exploration of those promising prospects. These incentives are also available to individual investors.

Bill C-48 makes available to current lease and permit holders, as well as to new players in the industry, an entirely new regime which includes as one element a 25 per cent Crown share. The new regime, including the Crown share, is a vehicle formulated to provide that exploration and development of the vast resources in the frontier lands so that it moves forward quickly but carefully.

As I have noted in the past in this House, under the program there will be a 25 per cent federal cash incentive grant available to all explorers, foreign and Canadian alike, to offset the 25 per cent Crown share. This grant means that the government will be paying, and ultimately the Canadian taxpayer will be paying, its own way. The Crown share will not be a free ride.

Under the legislation, if the Crown corporation converts to a working interest during the exploration stage, the government in effect pays almost twice for its interest during the balance of that stage. The private interest holder will continue to receive the minimum 25 per cent exploration grant in respect of his 75 per cent interest, while the Crown corporation will pay 100 per cent of its 25 per cent interest.

Considering these two sources of funds combined, almost 44 per cent of exploration costs will be met by or on behalf of the government. Clearly, the government is being generous to all explorers.

Unlike the policies of other countries, Mr. Speaker, in seeking to redress similar ownership situations, this government has offered profitable inducements to Canadianize, not

to expropriate. The operations of foreign-owned firms are very profitable in Canada. To the extent that they increase opportunities for Canadians to participate with them, they can be even more so under the terms of the National Energy Program.

Undeniably, some of the guidelines for companies in the industry have changed, but the changes are fair and equitable. The program gives foreign companies an incentive to seek Canadian shareholders and partners. To the degree that they do, they can benefit from the same higher exploration grants that companies which are Canadian controlled can enjoy. Many foreign-controlled companies have recognized the legitimate concern of Canadians with respect to their own petroleum future and have begun to rearrange their affairs to take advantage of the benefits of the program.

Obviously, Mr. Speaker, Canadianization is working. Canadians overwhelmingly support it. Since the National Energy Program was announced one year ago, foreign ownership of the petroleum industry has declined about 6 percentage points and foreign control by approximately 10 percentage points. Canadianization of that sort has not only been endorsed by the governments of the producing provinces but by the vast majority of Canadians.

In a recent survey conducted by the Canadian Petroleum Association, 84 per cent of the Canadian public favoured the government's Canadianization policy. Moreover, that same survey showed that 70 per cent of the Canadian public believed, quite rightly, that Canadianization will increase the number of jobs available to Canadians. Clearly, Canadians judge the National Energy Program and its Canadianization aspects as important towards fulfilling the attainable goal of 50 per cent Canadian ownership of the oil and gas sector and energy self-sufficiency by the end of this decade.

Indeed, these objectives, reflecting upon the rate of Canadianization since the announcement of the National Energy Program, are within our grasp. The future of the Canadian oil and gas industry under the provisions of the National Energy Program and Bill C-48 are bright indeed.

Throughout the long course of the debate in both committee and the House of the legislation now before us, considerable discussion has centred on the application of the 25 per cent Crown share to petroleum rights already issued before passage of this new act. Both in committee and in the House we have illustrated that there is a related and significant difference between the current Canada lands regime and that in Bill C-48. Stated briefly, under the present system holders of exploration rights are required to return to the Crown at least one half of their acreage, which in certain cases involves up to 30 per cent of their discoveries prior to obtaining production rights.

I find it difficult to understand the argument of those who contend that the current regime's provision for return of acreage does not present burdens to those exploring, while they see a burden in the new legislation. In fact, Bill C-48 ensures that holders of exploration rights will not face the prospect of returning some part of the lands. The new legislation allows explorers to retain production rights to the entire area of an oil or gas field.

To ensure that all Canadians can participate, and to give our Canadianization program an early boost, the government decided to increase the size of Petro-Canada, the national oil company. This decision is reflected in Petro-Canada's agreement to purchase Petrofina. That transaction underlined our determination to proceed with our Canadianization goals, but it equally supports our promise that such acquisitions will be under market conditions and at fair prices.

● (1620)

Canada's national oil company, Petro-Canada, spent $130 million in the Atlantic offshore in 1979, and $255 million in 1980 in the search for new sources of oil and gas. Expenditures for 1981 are expected to reach $400 million.

Of course, as a federal Crown corporation Petro-Canada is committed to the concept of Canadianization, including the growth of our own industrial capacity to provide goods and services for petroleum development.

We are not the only ones who believe in the significance and success of Petro-Canada's role in the industry. A recent study of Petro-Canada by the U.S. General Accounting Office on Petro-Canada selected four principal functions of Petro-Canada as a national energy policy instrument—to act as a window on the industry; to produce oil and gas; to capture extrinsic social or economic benefits for Canadians; and to import oil. The General Accounting Office in Washington concluded, and I quote:

> —our study indicates that Petro-Canada has made an important contribution to improving Canada's energy situation, and is likely to play an increasing role in this regard under the Canadian government's new energy policy.

I should like to emphasize the importance of the Canadianization program as it applies to offshore development. As a result of this legislation, Canadian companies will now have a chance to participate, not only in actual offshore exploration, but also in a significant number of offshore supply industries.

The government is helping in several ways to encourage greater Canadian participation in the search for offshore oil and gas. I have already mentioned the petroleum incentives program which will provide direct incentive grants to companies engaged in offshore exploration and development. With this encouragement, private Canadian exploration firms are expected to increase greatly their involvement in drilling and to attain a sizeable share of Atlantic offshore activity.

The National Energy Program also assures that companies engaged in the search for reserves in the Atlantic offshore, as well as in the other areas of the Canada lands, will give a fair competitive opportunity to Canadian suppliers of goods and services. This Canadianization of onshore support facilities will help the Atlantic provinces gain jobs and increase levels of industrial development. As well, the use of Canadian goods and services will lead to the developoment of technologies that can be exported, thus having a positive effect on our balance of payments.

Small Atlantic firms can participate in offshore resource and onshore support activities both individually and through joint ventures. The federal government will strongly support Canadian firms based in the Atlantic provinces as they move to grasp opportunities and create additional jobs.

Through Petro-Canada, the petroleum incentives program and other Canadianization provisions of the National Energy Program, Canadians will be major partners in all offshore development.

The opportunity for Canadians to play a greater role in the development of our own petroleum industry is also an opportunity for foreign-owned firms to accelerate their own efforts through co-operative ventures.

As I have mentioned, multinational corporations are in good position to benefit from this activity as a result of the 25 per cent cash incentive grant available to all explorers and their strong land positions in the frontier. Farm-ins and other co-operative arrangements will further increase Canadian participation.

To achieve our 1990 goal of oil self-sufficiency and security and to maintain that position in the years ahead, an enormous and continuing capital investment in energy projects will be required. It is the intention of our energy program to involve Canadians fully in the petroleum game for the first time in our history. The bulk of the necessary investment in conventional oil and gas will be generated in Canada, as before, but with a better balance of ownership. Some megaprojects, such as those in the oil sands, will no doubt require additional investment from outside Canada. Canada will continue to welcome such investments. The returns will be generous.

Under our new energy program there will be ample growth and action for everyone during the next decade and well beyond. Investors are not oblivious to the kind of long term, fundamental strengths I have mentioned. When the chips are down, the industry's ability to replace and to expand its production over the longer haul is what really counts. That opportunity certainly exists in Canada.

These opportunities, however, will be undertaken with the greatest concern for the people who live in the Canada lands and the frontier environment. The National Energy Program and Bill C-48 have both illustrated through their provisions understanding and compassion for the rights of the native people of the Canada lands. Nothing in the act abrogates or derogates from any title, right or claim that the aboriginal people may have had prior to the coming into force of this act. The native peoples have the assurance of the government that this bill will not prejudice the fair resolution of land claims.

If there are those who would question the government's good faith with respect to land claim negotiations, let them consider the recent decision on the Norman Wells pipeline and the Petro-Canada agreement. Construction of the pipeline extension and exploration activities were delayed two years to allow for issues related to land claims to be resolved through negotiation. Native peoples should enjoy the benefit but bear fewer of the costs of northern resource development. Bill C-48 ensures this and more. It ensures that northerners' interests are protected and that people living in the north have the opportunity to play a more meaningful role in these activities, not only in terms of manpower but also in important social, economic, political and environmental consultative processes.

Bill C-48 is not an environmental bill, but it goes to great length to augment existing environmental legislation and to provide additional security for the fragile environment of the Canada lands. Although the emphasis of the new regime is on the early assessment of Canada's oil and gas potential on these lands, it will not be done at the expense of the environment of the north or, for example, offshore fisheries. There are provisions for the environmental revolving fund to cover the costs of regional studies relating to industrial activities. There are also a number of optional provisions that assist in the supervision and control of oil and gas activities and land management. These take the form of amendments to the Oil and Gas Production and Conservation Act of 1970. They deal with such matters as pollution prevention requirements, the reporting of oil spills, and oil spill liability requirements, including the requirement for absolute liability on the part of operators and compensation for damage caused by oil field debris jettisoned overboard or left near wells on the sea floor. They establish new authorities to prevent oil and gas spills, to implement remedial measures, to hold operators financially liable for actions that cause spills, to allow responsible authorities to intervene in the remote event of a spill and, at the operator's cost, to hold inquiries regarding spills, debris and accidents, and to allow for punishment for offences. Such provisions and others will influence the companies' operational behaviour. Moreover, they will induce further research by industry as well as government into preventive techniques and equipment and the development of improved oil spill countermeasures.

There are a number of other provisions in Bill C-48 governing environmental matters in Canada's northern and offshore areas. For example, there is a provision dealing with the early release of environmental information and another to permit remedial orders for environmental reasons. Clearly, the bill goes to great lengths to ensure the safety of our precious environment in the north and offshore.

As I said at the beginning, this is an historic occasion for this House. Throughout the past year we have listened carefully to what both supporters and critics of the National Energy Program have said about it. We made changes when there were compelling reasons for doing so. But when we knew we were right, we held firm to our position. In the weeks and months ahead there will no doubt be more listening, more discussions, more fine tuning of the program. But the basic program is in place; it is now working and the Government of Canada is getting on with the job of wisely managing Canada's energy resources.

Some hon. Members: Hear, hear!

● (1630)

Mr. Waddell: I wonder if the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) would permit one question.

The Acting Speaker (Mr. Ethier): Order, please. I think the rules are known, and this could be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): There is not unanimous consent.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, after listening to the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), it is difficult to know whether to laugh or to cry. It is inconceivable that any responsible parliamentarian could be so far out of touch with what in fact is happening and the reality of what is going on. He paints a picture of a glorious Canadian oil and gas industry working to its limit, expanding the economic horizons of the nation, finding the oil and gas we will need, and Canadians in great abundance participating.

What in fact is the reality? I would like to quote from an address to the Ontario Petroleum Institute by William Riedl, chairman and chief executive officer of Alfred Bunting and Co., Limited, on October 20, 1981, so it is just three weeks old and is up to date information. He stated:

> The outlook for the Canadian Petroleum Industry at this moment is very bleak. Step by step the Canadian Federal Government has increased its control over an industry it neither understands nor trusts. Only recently Energy Minister Lalonde declared that IPAC (Independent Petroleum Association of Canada) lacks creditability. We are drifting further away from the three simple goals established by the federal government's National Energy Program initially outlined in October 1980. The first goal of security of supply is becoming unreachable with respect to oil as energy companies defer projects such as Alsands, Cold Lake and exploratory drilling due the inadequate expected returns on investment. The Canadian Petroleum Association has called the NEP and the recent Energy Agreement a disaster for the petroleum industry and concluded that Canadian oil self-sufficiency by 1990 is impossible. The second goal of an equitable energy price was recently negotiated by the two levels of government (Federal and Alberta) but with the exclusion of a very important third party—The Petroleum Industry. The result was two happy governments and a short-changed petroleum industry; not to mention the poor consumer. As one industry commentator said recently, both governments acted like 'pigs at the trough'. The third goal, Canadianization, is also seriously in trouble due to overstrained balance sheets. Enough of the overview, let us look at some statistical facts.

Then he goes on to outline statistical facts; not simple assertions by a parliamentary secretary who either has no respect for the truth or knows not of what he speaks, but facts which point out that every single observation made by the parliamentary secretary is in fact phony and untrue.

The parliamentary secretary said during the course of his remarks that Canada has the most generous fiscal arrangements for oil and gas exploration in the world. That statement could have been made by a candidate for the flat earth society, because if he believes that, he believes the world is flat. The people who spend the money, the people who are actually putting up their money and drilling for oil and gas, are leaving Canada in droves. Over half of the drilling capacity of this country has left. Canadians who the parliamentary secretary believes should be overjoyed at the good things the federal government has done for them have left Canada. They have given up on Canada. We have driven them out of our country.

An hon. Member: Shame!

Mr. Andre: To this the parliamentary secretary says, "How wonderful things are, and what a great opportunity Canadians have for participating in what is going on!"

The Fraser Institute estimates that next year Canadian companies will be drilling 10,000 oil and gas wells in the United States. By comparison, they will be drilling 5,000 in Canada. The Canadians who should be overjoyed at what the parliamentary secretary and his minister have done will be exploring twice as much in the United States as in Canada. In response to this, he replies, "How marvellously pleased they are at the National Energy Program." If the whole population of Alberta were to migrate to Montana, I doubt the people could stand the glee. I am sure they would collapse and die from the sheer joy which would overwhelm them. I imagine there would be a party lasting for months when that last oil and gas executive leaves Canada. When that last rig goes, the Liberal party will have a month-long celebration of the tremendous success of the National Energy Program!

As I say, it is hard to know whether to laugh or cry. The fact of the matter is that the National Energy Program is supposed to achieve energy self-sufficiency. The National Energy Board is an organization set up by the government, and all the appointees were made by this government. The board has a large staff of experts. They studied the question of self-sufficiency for months with public hearings across the country. They concluded that not only will we not be self-sufficient by 1990, but that we will probably not be self-sufficient until the next century. The reply of the government is: "No, we will be self-sufficient". Why? Because the minister said so, and how could we question that?

One will not believe a bunch of people at the National Energy Board who only spent months studying the subject. One will not believe the Economic Council. Certainly, one will not believe the Independent Petroleum Association of Canada. After all, they are in the industry and cannot be trusted. One will not believe the Canadian Petroleum Association. Those are big companies and cannot be trusted. No, what one will believe is the kind of pap—nonsense—put forward by the minister and his parliamentary secretary.

The reality is that the National Energy Program and Bill C-48, which is the fallout from it, are only peripherally related to Canada's energy security. The real motive was indicated, and I am sure inadvertently, by the Minister of Energy, Mines and Resources (Mr. Lalonde) when he spoke in Sherbrooke, Quebec, on October 22 of this year, as reported by the Canadian Press. I quote from the Press report:

> Lalonde said a stronger threat to Canadian unity than Quebec nationalism could soon be posed by the growing wealth of Alberta. Canada, he said, could

one day become a country with one rich province imposing its whims on the other nine if Alberta uses its billions to take control of foreign companies and the federal government does not maintain its role of enforcing the sharing of wealth between rich and poor provinces.

The other nine provinces would eventually be at the mercy of Alberta's every fancy, he said, and a wave of (Alberta) nationalism of unprecedented strength could rise up if the federal government held back now from showing its teeth.

'We don't pay enough attention to this threat,' Lalonde said, 'But it's a real one, it's there.'

That is downright scary in terms of what it says about the mentality of the minister of the Crown. It indicates that a national minister of the federal government feels that the bigger threat to unity in Canada than Quebec separatism—René Levesque's party and what René Levesque stands for—is wealth in Alberta. It is almost mind-boggling to think that there is that kind of person sitting around the cabinet table, but it goes a long way to explain the real intention and purpose behind the national energy policy which has nothing to do with energy but has everything to do with preventing any increase in wealth in Alberta.

Mr. Waddell: Alberta's poor, eh?

Mr. Andre: It has everything to do with that. I hear some giggles—

Mr. Waddell: Oh, come on, Harvey. Alberta is not poor.

Mr. Andre: —from the Liberal rump here. He says Alberta is not poor. I question any New Democrat, Liberal or any other person who calls himself Canadian who says that it is better for Canada to continue to rely on Mexico—

Mr. Waddell: I didn't say that.

Mr. Andre: —on Venezuela and on the Middle East than to pay domestic oil prices, to pay other Canadians, western Canadians, for their oil and gas development. Yet that is the essence of the National Energy Program. That in fact is what has happened. The reality is that this minister of energy, as evidenced by his statement in a speech in Sherbrooke, Quebec, considers it far more dangerous for Canada that there be wealth in Alberta than that we be energy self-sufficient or that we continue to increase or maintain our reliance on Middle East and OPEC nations. It is truly tragic. I hope for the sake of the country that the Prime Minister (Mr. Trudeau) will remove that person from his portfolio. He is doing incredible disservice and damage to Canada.

● (1640)

The parliamentary secretary talked about the energy pricing agreement and winners and losers. As indicated by Mr. Riedl of Bunting and Co. Limited, the real loser was the consumer. I have to chuckle at the frequency with which the government talks about this made-in-Canada oil pricing scheme, the implication being that the price of crude oil in Canada is independent of what happens in the rest of the world. The price is blended, Mr. Speaker. The domestic price and the imported price are blended together to get a price at the refinery and therefore at the pump. If the world price goes up, the consumer pays more; it is as simple as that. To suggest that there is some separation because of this made-in-Canada thing is as accurate as the falsehood that we will be energy self-sufficient in 1990 as a result of this policy. That is total fabrication.

Canada lost money as a result of the year that elapsed between the announcement last year of the National Energy Program, when the Minister of Finance (Mr. MacEachen) was somehow tricked into reading the program of the Minister of Energy, Mines and Resources, and the pricing arrangement that was arrived at on September 2 this year. In that year $10 billion left Canada. That $10 billion left Canada never to come back. Had that $10 billion stayed here and had it been invested in Canada, it could have generated untold jobs, economic prospects and so on. Instead, that money has been lost to Canada as a result of this one year's delay in achieving a pricing agreement.

What did the government get for its one year's delay? It did not get the crude oil pricing regime it wanted. In fact, one year later, on September 2, 1981, the federal government caved in and acquiesced to the same crude oil pricing arrangement that was offered to the government in July, 1980. The federal government got nothing in that regard. There was a complete loss, a tremendous cost to the country.

The parliamentary secretary said that people had falsely implied that somehow the National Energy Program was designed to direct activity away from provincial lands to Canada lands. He assured the House that was not the case and that the energy pricing arrangement showed that. But he neglected to mention that when the NEP was brought down originally it contained a provision to eliminate the depletion allowance provided for provincial lands but it was retained in the case of federal lands. If that is not a deliberate, barefaced prejudicial move against provincial lands as opposed to so-called Canada lands, I do not know what is. Finally, a year later, after the government realized it was unable to act unilaterally and that Canada is a federal country, the federal government was forced to reach an agreement with the provinces and that particular provision was dropped. It was not dropped voluntarily; the government was forced to drop it.

The real losers as a result of the NEP and of the stupidity last year are the ordinary Canadian citizens, especially those who have been renewing mortgages this year. It is ironic that the Minister of Public Works (Mr. Cosgrove) has sat here daily for the last few weeks taking abuse for the high interest rates that people are paying on their mortgages. It is unfair really because it is not his fault. It is the fault of the Minister of Energy, Mines and Resources and his partner in crime, the Minister of Finance, who read out that absurd policy last year.

That is not an opinion held by me in isolation or by my party. It is the opinion of the Governor of the Bank of Canada, Mr. Bouey. He indicated that the National Energy Program is responsible in large measure for the higher interest rates in Canada vis-à-vis the United States. No less a voice than the Governor of the Bank of Canada said that. Therefore, Canadians who are feeling the pinch of high interest rates, who have

had difficulty in renewing their mortgages, can give grateful thanks to the Minister of Energy, Mines and Resources and to his friend the Minister of Finance.

The other day we heard the Minister of Industry, Trade and Commerce (Mr. Gray) trying to deny that he had ever threatened to resign if interest rates were not brought down below the then outrageous 14 per cent. He went on some crazy tirade that somehow high interest rates in this country were attributable to some people in this party who support the American program, or some other such convoluted reasoning. In any event, the minister was trying to put the blame for everything that was happening on the United States and partly on us because supposedly people in this party support some of the things that have happened in the United States.

If one reads today's edition of *The Globe and Mail*, it shows that interest rates in the United States rose 20 per cent last year whereas interest rates in Canada rose 50 per cent. Why did Canada's rates increase 50 per cent in the last year as opposed to an increase of 20 per cent in the United States? The answer is very simple. Canada has a National Energy Program which has caused that increase in interest rates. We owe it all to the Minister of Energy, Mines and Resources.

It is incredible to hear the parliamentary secretary say that the National Energy Program is such a great success. One has to wonder what planet the parliamentary secretary lives on or where Canada stops for him. It must stop at Etobicoke. He must not know any part of Canada west of there. If he were fulfilling his responsibilities as Parliamentary Secretary to the Minister of Energy, Mines and Resources, he would be aware of the number of drilling rigs and Canadian companies that have left this country, and he would not be making these absurd statements as to how wonderful this program is for Canadian companies.

What is this program doing for Canada? Over the weekend I had a look at the Annual Review of the Economic Council of Canada for 1980, which produced an addendum following the introduction of the National Energy Program last year. The Economic Council examined the National Energy Program, put the material into its econometric model and concluded that as a result of that program inflation in Canada would be a couple of points higher that the council had originally predicted, that unemployment would be a couple of points lower, and that Canada would have higher interest rates. Generally speaking, the Economic Council predicted a pretty gloomy 1981 as a result of the National Energy Program.

The Economic Council was bang on in terms of all its dire predictions for 1981 resulting from the National Energy Program. Yet members opposite stand up without even blushing and say, "Isn't this a wonderful policy and isn't it working marvellously?" We hear that Canadians should be truly grateful they have such a marvellous government in charge, such a smart minister and such brilliant civil servants advising him. But if they were a little smarter, we could have interest rates as high as 30 per cent and perhaps unemployment at 15 per cent or 20 per cent. Who knows? We could even drive every last drilling rig right out of the country if these people were a little smarter. But what gets me is the fundamental dishonesty of this government, which is claiming that the National Energy Program, particularly Bill C-48, is designed to help Canadians participate in the oil and gas industry.

I shall read part of a submission made by Husky Oil Operations Ltd. to the committee studying Bill C-48. Husky Oil is a Canadian company. Most of us recognize the very prominent Canadian on its board of directors, Tommy Douglas, who is a former energy critic for the New Democratic Party. I am sure they get excellent advice from Mr. Douglas. What does Husky Oil, this Canadian company that is supposed to be such a tremendous beneficiary of this marvellous Bill C-48, according to the minister, have to say? Let me quote:

● (1650)

> Bill C-48 appears to have been written in anticipation of setting out rules and powers to control and manipulate a hostile reluctant industry. These financial tools and discretionary powers combined with the preferential treatment of Crown corporations in Bill C-48 and the stated objectives of the NEP on public ownership leave the private sector wondering whether its role in Canada lands is just an interim one. Any private sector company that takes C-48 as drafted and NEP documents as written is forced to add an element of risk resulting from possible government involvement.

That is a very mild way of saying: "What the blazes are you guys doing? All you have done is complicate things and made it that much less attractive for Husky Oil to consider going up there".

I would like to refer to perhaps not quite as temperate a remark from another Canadian company operating in the high Arctic. This is not a company as big as Husky Oil. It is just a small Canadian independent, 100 per cent Canadian owned and started by a Canadian, a good westerner. He is perhaps not as good a Canadian as an Etobicoke Canadian, but he is a good Canadian to some of us. According to a letter from the president of this company, Paramount Resources, if Paramount was a foreign corporation "we might be enraged; as a Canadian company we can find no words to describe the rape and plunder the Canadian government has perpetrated on our company." Rape and plunder is how this Canadian oil company describes what the Government of Canada has done to it.

What does the Parliamentary Secretary to the Minister of Energy, Mines and Resources say? He says: "We are really proud of what we have done for the Canadian oil and gas industry; we are really happy." They are proud of the rape and plunder they have perpetrated on this company. They think it is marvellous and a tremendous success. One wonders what planet they live on, let alone what country they live in. We wonder what ordinary Canadians have to do to get through to the thick skulls of those people who keep making those kinds of statements, in view of the overwhelming factual evidence that this program is a disaster and is damaging Canada very, very severely.

Bill C-48 will not work. It is supposedly designed to bring about the efficient, effective and reasonable development of the oil and gas potential in the Canada lands. It will not work, and that I suppose is the saddest part of the whole thing.

Because it will not work we will not get the kind of development the country needs, and because of that we will not be self-sufficient, we will not have the kind of economic benefit that could come from that kind of development. We will in fact continue to be under-achievers compared to our potential and we will continue to do a little bit worse than we could do. We will continue to have the drag of an economy that is not working as well as it should, given our potential, because of the consequences of this bill.

The fiscal regime—that is, the sharing of revenues between the Crown corporation, the government directly and the industry—is probably not going to be satisfactory. I say "probably" in that it is very difficult to know what the fiscal regime ultimately will be. There is so much ministerial discretion in terms of price, who you can sell to, when you can sell, how fast you can produce, etc., that there is no economist alive who can tell you in fact what the fiscal regime is. But the best estimates that have so far been produced indicate it is probably not satisfactory, and there is probably not going to be enough left by way of a reward to make it worth while.

The 25 per cent confiscation by the federal government is something that will take a long time to live down. There is nowhere a precedent in the democratic world for a government confiscating privately owned assets without some form of payment, without some expropriation procedure which provides for an adequate and proper payment in return for the seizure of those assets.

The Canadian government has established a precedent for supposedly democratic countries, and it is a terrible precedent. It is going to colour our relationships with other countries for a long time. It will colour the attitude people have toward this country, and it is going to colour the attitude of investors.

The Royal Bank of Canada recently did a study which indicated that we as a country are going to need some $300 billion for energy developments over the next decade, and of that we will require some $60 million from offshore or foreign sources because we will not be able to produce that much capital within Canada. If we are going to get that $60 billion, with the kind of precedent established by this confiscation we are going to pay through the teeth for that money. The investment world now has proof that Canadians cannot be trusted to keep their word, that the Canadian government will in fact confiscate and expropriate without repayment.

An hon. Member: That is nonsense.

Mr. Andre: That is the tragedy. I hear the hon. member from Moncton over there saying it is nonsense. I refer him to a study by Frost and Sullivan, a New York based consulting firm in the business of assessing political risk. It is a well-known company which puts us in the same category as Algeria, Ecuador, Columbia and the Dominican Republic in terms of the risk of expropriation. That is the view of the experts who assess the risks of this sort of thing vis-à-vis other countries in the world. That is the category we are in now. Of course, he does not really care. If the people in the city will not be able to take VIA Rail any more, I guess he can swallow this too.

The ministerial discretion in this bill, involving some 57 areas, makes it absolutely impossible for anybody to plan. How can anybody sit down and assess whether an investment is justified? We are talking about hundreds of millions of dollars in any one of these plays, and nobody makes this kind of decision strictly on faith. They must have some justification or some sense of what the rules are going to be under which they operate, but how can they with 57 different areas of ministerial discretion, discretion exercised by a minister who has demonstrated that he will seize private assets? That is a severe detriment to investment. As Husky Oil has said, it "is forced to add an element of risk." That is certainly not going to increase investment; it will slow it down.

Finally, there is no recognition in this bill of the role of the Yukon and Northwest Territories governments. In some way the bill almost sets up a kind of a new East India Company. In the old colonial days the British set up the East India Company to look after commerce for their new colonies and to be a kind of government to the colony as well. Under this bill that is what Petro-Canada is; it is a kind of new government in the Yukon and Northwest Territories.

I come from a part of the country which for the 30 years of existence as a province was denied its natural resources. The prevailing view was that those country bumpkins, those clod-hoppers, farmers and ranchers really could not be trusted to have natural resources under their jurisdiction, that the federal government must keep them under a national umbrella.

● (1700)

That is exactly what the government is saying to the Northwest Territories and the Yukon. It is saying that although it likes them well enough, it does not trust them enough to give them a say in how the land they live on will be developed. Big daddy in Ottawa will look after them. Big daddy is a lot smarter than they are and more capable. The government is saying: "Because it is dark all winter and you probably drink too much and eat too much caribou, it affects your brains. You cannot be trusted and we will look after you from Ottawa."

Perhaps worse than that is the fiscal regime which is giving so much of the potential rewards of economic rent, to use the latest jargon, to Petro-Canada. It has effectively put any future income that may come to the Northwest Territories and the Yukon beyond their reach. If these territories were to reach provincial status and try to gain for themselves what other provinces have, they would find it impossible because the economic rent which normally would accrue to their government has been taken up by Crown corporations and is no longer available to them.

That is one of the fundamental reasons why I think it is a serious mistake to give Petro-Canada this 25 per cent gift. I believe it is a way of denying the people of the Yukon and Northwest Territories access to the economic rent which Petro-Canada is taking. The transference of 25 per cent of all the land to Petro-Canada or some other Crown corporation means that 135 million acres will be under its jurisdiction for exploration. That is the same amount of land which the Exxon

Corporation has in the entire world. When you compare the Exxon Corporation to Petro-Canada—this is not to belittle Petro-Canada—the reality is that you are comparing a seven eleven corner store to the Hudson's Bay chain. Exxon is a huge company, and even if you do not like that corporation, it is quite efficient and knows how to find oil and gas. If Petro-Canada is to do the same kind of exploration on its land as Exxon does on their lands, I calculate that their building in Calgary would have to be 854 storeys high to house the geologists and geophysicists. In reality, there is no possible way Petro-Canada or any other company—and this is not a reflection on the individuals or their company—can justify having that much land.

If the Canadian government were truly interested in the development and exploration of Canada lands, it would try to ensure that the lands were spread out among as many different companies as possible. Through that multifaceted approach, with many companies, geologists and theories, the sparks of creative input would provide the kind of discovery and new development needed to produce the oil and gas we need.

The worst situation we could have is having a single oil company in charge of oil and gas exploration in Canada, which is a step in that direction under Bill C-48. That is the worst thing which could be done if the government is considering Canada's oil and gas future and is concerned about developing our oil and gas potential.

We have now reached the final stage of debate for Bill C-48, the first part of the National Energy Program. The bill has been changed a lot in committee and some of the worst parts were improved, but it has not changed enough to make it a viable piece of legislation. It has not changed enough to ensure that oil and gas development on Canada lands will occur.

Ironically, the ministerial discretion which I rightfully criticized may, in fact, contain our salvation. What is happening now is that the government, as the Parliamentary Secretary to the Minister of Energy, Mines and Resources said recently, will declare the National Energy Program a victory, a success, in spite of the fact that the evidence is to the contrary. I predict that the government will then proceed to make the necessary changes to accomplish what cannot be accomplished under the National Energy Program and Bill C-48 as it now exists. They will be able to utilize the discretionary authority provided for under Bill C-48 to in fact do things quite differently from what was contemplated in this bill originally and from what is outlined in the National Energy Program. Hopefully it will be in a way which will bring about the development this country needs.

As the Economic Council of Canada said in their 1980 Annual Review, not only does the energy circumstance in Canada offer some potential for economic development in the 1980s, but it may be the only thing Canada has going for it in the 1980s. The projections of the Economic Council of Canada indicate that without a buoyant, active energy program throughout the 1980s our inflation rates and our employment rates will be out of sight. Only through actively and aggressively pursuing energy self-sufficiency, not just by talking about it but by causing the development of our oil and gas potential, does the Economic Council see us surviving the 1980s with reasonable inflation rates, reasonable unemployment rates and a reasonable growth rate.

The Economic Council was precisely correct about what effects the National Energy Program would have over the course of this year. It would indeed be foolish to ignore their projections in terms of what will happen throughout the 1980s if we do not pursue self-sufficiency and pursue it vigorously.

I started off by criticizing the Parliamentary Secretary to the Minister of Energy, Mines and Resources for the absurd speech he made—and I have not changed my mind—but I ask plaintively and hopefully whether this is all part of some political game. Now that he has declared the National Energy Program a great success, as he did in his speech, will he kindly put that speech aside, get that nonsense out of his head and work with his minister to try to put in place the policies and programs that this country so desperately needs?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax West (Mr. Crosby)—Marine Transport—Minister's position respecting Cast shipping group. (b) Request for general inquiry into east coast shipping; the hon. member for Peterborough (Mr. Domm)—Metric Conversion—Suggested penalties for food store owners; the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—The Constitution—Charter proposals on language rights.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of the motion of Mr. Bussières (for Minister of Energy, Mines and Resources) that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the third time and do pass.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, before I begin my speech I want to say to the member for

Calgary Centre (Mr. Andre) who spoke before me that I would rather take my advice from Mr. Tommy Douglas than from Imperial, Gulf, Shell, those large companies that the hon. member obviously takes his advice from. At least Mr. Douglas has always been a spokesman for the working men and women of this country rather than the corporate interests my friend so obviously speaks for in his speech.

An hon. Member: What about Husky?

An hon. Member: Shell never works.

Mr. Waddell: I will resume my speech when my friends to the right have settled down. I was going to say that this bill has been debated for a long time. I believe it should be debated for a long time because every new and challenging issue we face in Canada is contained in this bill. The future of Canada is wrapped up in this bill and it is worth while spending a lot of time on it.

• (1710)

I called the bill a sleeper, but by calling it a sleeper I did not mean that all the issues involved in the bill were putting us to sleep, although some of the speeches on the bill—my own included at certain points—probably did tend to put members to sleep. However, if we look at the bill we find that there are parts of it which touch on things about which we are really concerned, debate every day in this House and touch on every day in the question period.

This bill deals with the environment in northern Canada. I should not say it deals with it; it skirts around it and ignores it. But the issue of development as against protecting our environment is one with which we now have to struggle all the time. This bill opts for rapid oil and gas development in Canada lands, meaning the east and west coasts and the north of Canada, areas which have the most fragile environments in the world. We should be concerned and, judging by the letters and responses to our speeches on this bill I and some of my colleagues have received, Canadians are also concerned. This bill touches on the northern territories of this country. We are all northerners. Even though most of our people live along the border, this is a northern country and we think of ourselves as northerners. That is a good part of Canada; it is part of what makes us different from Americans and people in other parts of the world.

We hope that the northern territories will evolve into very distinctive and fascinating provinces. I do not think many Canadians have yet grasped the possibilities for an Inuit province in Canada. We have just begun to grasp that, but it cannot be a province unless it is given some resource revenue and some resource control. This is an issue in the bill, and it is to the great regret of, I think, all of us in this House that the fledgling northern territorial governments in the Yukon and Northest Territories which are just beginning to get on their feet were not really consulted respecting this bill. I spoke to government officials in Yellowknife and talked to people from Whitehorse, and I realized that they were not really consulted when this bill was drafted.

That brings me to another issue with which we struggle all the time. The hon. member for Calgary Centre mentioned this without perhaps really articulating it very well. I refer to the hinterland of Canada. Even those of us from Saskatchewan, Alberta and British Columbia feel that we are in the hinterland. What do the people of the north and parts of Newfoundland feel about the power and the role of the hinterland in controlling the scope and pace of their development as against the power of Ottawa, the bureaucracy in Ottawa and the power of international industry and about how they control things? That is an issue in this bill.

With respect to offshore energy I spoke about whether the moratorium on drilling in British Columbia should be removed. I spoke about how fast we should speed up the development of Hibernia and who should control it, the province or the federal government. That is all in this bill and it is very important.

There is another issue we on this side of the House have tried to raise, apparently with not a great deal of success, although we are just beginning the fight and, I think, will eventually win it. The hon. member for Kamloops-Shuswap (Mr. Riis) will talk about this after I have finished speaking. That issue concerns an industrial strategy and taking all the money for this development and making sure that Canadian business and industry, and especially small business, are given a role. We do not want them to be passed by. With respect to native people I am fond of using the analogy of a native person standing by a highway as a truck passes by. I have seen that personally on the Mackenzie Highway in the Northwest Territories. That is almost a symbol of development, passing native people by, and that is what happens in this country, but development has also passed by our Canadian small-business people. The important aspects of an industrial strategy, Canadian content and so forth are ignored by this bill.

The bill is also important for foreign relations. It deals with the whole question of sovereignty in the Arctic, how we control our north, how we raise the flag there and so forth. There are international implications. Foreign lobbying with respect to this bill reached the Conservative party in this House, which changed the bill and tried to stop its appearance in this House.

Finally, the bill is an outstanding example of the weaknesses in the National Energy Program. This bill is at the heart of that program. It is the guts of the program, and what it shows—and I will speak of this later in my speech—is a program which consists of giant giveaways and grants, without taking sufficient equity or control for the government. This bill would give grants to private companies and build up large Canadian private companies at the expense of consumers and small Canadian companies. This bill will continue a system we thought we would put behind us. The Canadianization in this bill is phony, and I will give examples later on of why Canadianization as we understand it is different from the Canadianization referred to by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren).

I have learned a great deal from this bill and, before hon. members heckle me and say "It's about time" and so forth, let me say I have learned all this during the course of the year, in committee day after day, at all the stages of this bill in the House, in press interviews and statements outside the House and in discussions with my colleagues and with other members of the House. In watching this bill develop I have learned a great deal, and I will tell hon. members what I have learned: "Them that's got power gets." Those who do not have power, no matter how just their cause, lose. This is the problem with the Canadian political system, and it has shown up in this bill. Greed and privilege seem to triumph over justice and equity, and that is sad.

That can be seen now with respect to the Constitution. The provincial premiers have the power, so the native people lose out. When the Prime Minister (Mr. Trudeau) wanted the support of our party, he was prepared to accept an amendment to the Constitution relating to native peoples. Now that he has a deal with the provinces, he forgets about that.

Mr. Irwin: Who sent us to the provinces?

Mr. Waddell: That is what happens, and this bill shows it. Whenever the industry has cried out, it has received basically what it has wanted.

There have been eight changes to this bill, but they have not helped environmental groups. They did not win. They have not helped native groups nor northern groups. Those changes have helped the industry. That was the only flexibility this government showed, apart from a few token clauses without prejudice to native claims, which mean nothing, especially since native claims are not even in the Constitution now. These things in the bill mean nothing, but every change in the bill benefits the industry.

I can go through the changes chapter and verse. It is a little late to do that now, but one result of the debate last week is that the royalty holidays have been extended. There were modifications to the 25 per cent Petro-Canada back-in. In the future companies will be paid a little more for the back-in privilege. There were modifications respecting the date of pioneer production so that rich industry could escape more taxation. Every change made generally helped the industry. That is what the Liberals did for the industry, and they did not do much for northerners or native people. It was shocking that our Standing Committee on National Resources and Public Works did not even go north to talk to the native people. It is disgusting. I asked for support from my Conservative friends. I tried to filibuster in the committee so that we could go north. What did the Conservatives do? They got together with the Liberals, ended the committee and brought the bill back here. It was shameful and shocking that northern members could agree to that.

The first clause in the bill deals with Canada lands. The native people are the majority on Canada lands. We did not even consult those who are the majority. What kind of democracy is that?

It was instructive to me to see the positions of the parties respecting this bill. The Conservative party fought tooth and nail and brought out every dinosaur in its caucus to fight for the oil companies, to stop the 25 per cent Petro-Canada back-in and to attack Petro-Canada. That was their strategy and their position on the bill.

● (1720)

When we pointed to Suncor in which Bill Davis of Ontario bought a percentage, the Conservatives said that was different.

Mr. Stewart: What's different about it?

Mr. Waddell: That is my point, what is different about it? My friend might read a column in *The Toronto Sun* by Claire Hoy. I do not know whether he is a supporter of this side of the House, but the article states:

> To the NDP, you should not only buy into companies, you should buy control, a position which makes sense if you accept the principle of government intervention.

That is the point we have been making in this debate. This bill, with its Petro-Canada back-ins and giveaways, does not do anything to give control of the energy industry, Canada's most important industry, to the Canadian people. It gives control to the multinational companies and a few large Canadian companies.

I want to deal with some of the Liberal policies reflected in this bill. I want to make three points. First, we should remember it was past Liberal policy that got us into this foreign ownership crisis. Now they are proposing only half measures to get us out of it.

By and large it was not people on this side that got an industry which is more foreign controlled than any other country, industrialized or non-industrialized, would permit. They got us into it and now propose half measures to get us out of it.

My second point is the 50 per cent Canadian ownership which the Parliamentary Secretary to the Minister of Energy, Mines and Resources spoke about so glowingly. That does not necessarily mean Canadian control. Foreign domination will remain. My colleagues and I made that point consistently throughout our speeches. However, we have had no real reply from the other side of the House.

Third, the Liberal's Canadianization plan means privatization. What we are talking about is public ownership and control. Let that be clear. That is what the parliamentary secretary talked about when referring to Canadianization. These flaws are all reflected in this bill.

I want to talk a bit about the Liberal record. In 1974 the Prime Minister promised that we would have 50 to 60 per cent Canadian ownership in all new energy projects. He did not keep that promise. Now he is promising 50 per cent Canadian ownership, not control, by 1990.

The parliamentary secretary stated that we had made great progress. He mentioned that we had gone up to about 35 per cent Canadian ownership, a 5 per cent increase as a result of

all the actions in the last year as a result of the National Energy Program. We have spent $6.8 billion to get an extra 5 per cent, up from 30 per cent to 35 per cent. We could have taken that amount of money to purchase Imperial Oil. Overnight we would have 50 per cent Canadian ownership. This government does not have the guts to do that. Instead, it wants to wrap itself in the flag of Canadianization. It is a sham, generally and specifically.

I have raised the fact time and again that even with this bill one will be able to get around Canadian ownership standards, which are not even defined in the bill. They will be defined in another bill. I pointed to the example where a group in an oil play in the Arctic could be 70 per cent owned by Imperial Oil and 30 per cent owned by Petro-Canada. Surprise, surprise! That is 51 per cent Canadian ownership.

I have said this three times in this House. I will not go into the statistics again. However, it was never denied. In the specifics of this bill, Canadian ownership is a farce. It does not mean Canadian control at all. We suggested specific amendments, but the government refused to accept them.

Why do we see foreign control as bad for us? Contrary to the free enterprise argument that my friends on the right were advancing, saying that Canada benefits from foreign capital, the multinational companies are net capital exporters. They take more out of the country than they put in.

In the period 1975 to 1980, the petroleum industry was a net capital exporter to the tune of $4.1 billion. Those figures come from the government's own petroleum monitoring agency report. The petroleum industry's assets have risen 359 per cent, from $14.6 billion in 1973 to $53.4 billion in 1980. That capital gain is controlled mainly by foreign shareholders at the expense of Canadian consumers and taxpayers.

The hon. member for Calgary Centre (Mr. Andre) gives us a bad time for not supporting the oil companies and the industry. The Canadian people think the industry is very fat and rich. We know that some of the small companies are hurting. We can help some of the small Canadian companies. By and large the Canadian public sees this as a big, fat, rich industry. It is going to continue to get rich under the new deal between Alberta and Ottawa, cooked up at the expense of the consumers.

In 1980 the oil industry's profits represented almost 30 per cent of all profits earned by the non-financial sector of the economy. It is a rich industry getting richer and it is expanding into other segments of the economy. Its power and economic wealth is controlled by foreigners, but it can pressure Canadian policy makers. The evidence is here. Look at Cold Lake and Syncrude—blackmail tactics and capital strikes. They will not go ahead unless they receive more money and benefits, more of the cream. That is why we say we cannot let this happen.

What do the Liberals propose to do? At the very least they propose what I would call half measures. Here is what Marc Lalonde said in New York.

The Acting Speaker (Mr. Ethier): Order. The hon. member must refer to ministers by the departments they represent and members by the constituencies they represent.

Mr. Waddell: I am sorry, Mr. Speaker. I am quoting from an article that names him. The Minister of Energy, Mines and Resources (Mr. Lalonde) said in New York on November 18, 1980:

> Do you suppose that a party proposing to reduce foreign control to 50 per cent within ten years would be regarded as anything but cautious to a fault? I doubt that Americans would tolerate anything like 50 per cent foreign ownership in any major industry—let alone a vital, basic industry like oil and gas. And to tolerate it at a time when that industry is claiming an enormous and ever-rising share of the national wealth is simply unthinkable.

He is prepared to tolerate it to the extent of 50 per cent. That is a half measure. What the national energy policy does is replace the big foreign-owned companies, largely American, such as Exxon, the friend of the hon. member for Calgary Centre and the Conservative Party, with large Canadian companies such as Dome Petroleum and Nova Corporation. It is replacing the Rockefellers and the Mellons with the Conrad Blacks and the Bob Blairs. That is fine. They are Canadians. However, are they going to do anything different from the multinational oil companies?

What guarantees do we have that privately-owned Canadian oil companies, subsidized with our money to the tune of 93 cents for every dollar spent on exploration—and I will come back to that in a moment—will act any differently from foreign-owned companies? Does anyone believe that the $12 billion price rip-off of the consumers as set out in the Bertrand report would be any different if we replaced Dome or Norcen for Imperial or Gulf? I am not so sure. I would like to think it would be but I am not so sure. I will tell you why I am not so sure, Mr. Speaker. The goal of these privately-owned oil companies will be, first of all, to push for higher prices and, second, to push for more exports. You can see that now. Listen to the call for gas exports from Alberta. Third, they want more tax concessions. Look at their criticism of the National Energy Program and of this bill which gives them all kinds of tax incentives.

● (1730)

It seems to me that if you want to have true Canadianization, Mr. Speaker, you have to make Petro-Canada a leader in the industry and you have to make it number one. That is true Canadianization. I think the Canadian people would support that idea.

Under the National Energy Program, the taxpayers of Canada will fund a Canadian-owned company to the maximum of 93 cents on every dollar spent on exploration in Canada. That is what my friends call free enterprise: a ninety-three-cent subsidization. What does the government get back? The government gets back 25 per cent Petro-Canada back-in. The government gets back a 10 per cent royalty, which is one of the lowest in all the industrialized countries. The government will get a percentage in income tax, if that is not deferred forever.

What kind of free enterprise is that? It seems to me that this is a great rip-off of the Canadian taxpayer. That is exactly what this bill does. You do not have to believe me Mr. Speaker, because I will quote the words of the parliamentary secretary who said an hour ago in this House that "Canada has in place the most generous system of grants and incentives of any country." That is the kind of system that is being set up in this bill.

From 1977 to 1980 the federal Liberal party gave income tax breaks to the foreign-controlled resource sector worth a total of over $13 billion, without getting any equity or ownership in return. Over the same period, income tax collected from the petroleum industry was only $5 billion. What the NDP is saying and what we have said in our amendments to this bill, something that was ignored by the government which is not flexible at all, is that it is time the consumers and taxpayers of Canada who have funded the growth and profits of this industry get some ownership in return. If we are paying the piper, it is time we called the tune. We can only do that through majority public ownership.

[*Translation*]

Mr. Speaker, I regret the fact that no one has spoken in French on Bill C-48. I thought all the provinces, including Quebec, had an interest in the energy issue. I have said that the Progressive Conservatives, the Tories in this House, were certainly speaking on behalf of the big oil companies in the course of the debate. Only the NDP spoke on behalf of the people. We support Petro-Canada. The Progressive Conservatives do not. We want Canadians to control the oil industry. That is definitely not the position of the Liberal Party.

[*English*]

Before I sit down, I should like to raise another point, and that is why I wanted to ask a question of the—

[*Translation*]

Mr. Cyr: Mr. Speaker, I rise on a point of order regarding a statement made by the hon. member for Vancouver-Kingsway (Mr. Waddell). He said that none of the francophone members took the floor during the debate. I want to say that this bill has been before the House for over a year, that it was sent to the committee where Quebec members took part in the study of the bill in committee and that we were in the House—

Mr. Waddell: The hon. member may wish to take part in the debate after me. I should like to hear the position of a member from Quebec, because I have not heard the position—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. I did not recognize the point of order and I do not think the hon. member should have responded to it.

Mr. Waddell: Obviously the hon. member will have the chance to speak after I have completed my remarks and to set out his position on this bill. The hon. member cannot have it both ways. Either the hon. member wants to speak on this and set out a position—

The Acting Speaker (Mr. Ethier): Again, I would invite the hon. member to address the Chair. I do not think the debate should be entertained across the floor.

Mr. Waddell: Mr. Speaker, I want to ask the government and the parliamentary secretary specifically to respond to this matter of the effect of Bill C-48 on aboriginal land claims. I hope that the member for Cowichan-Malahat-The Islands (Mr. Manly) will speak later on in this debate on this very point.

There are two points. First, the government says that this bill is neutral, to use the minister's words, toward aboriginal land rights. Our view is that the bill is not neutral. How can the bill be neutral if the government develops oil and gas resources quickly, as this bill proposes to do, and opens up a regime to do that? It is taking it off the bargaining table with the native people. That is a point on which the minister and I disagree. The minister suggests that he will bring in legislation after this bill is passed and we will have to look at it.

More specifically, I have in my hands a telegram from the Inuvialuit, the Inuit people near Inuvik. The telegram is from Sam Raddi, the President of COPE. In his telegram Mr. Raddi specifically challenges the government to include in a speech from one of the members of the Liberal party an undertaking that this bill will not affect a contract that was already entered into. I shall read a paragraph from Mr. Raddi's telegram. It reads:

> To put the issue simply, do you agree that the intent and language of the agreement in principle—

—and that is the agreement with the Inuit—

> —with respect to our 7 (1) (A) lands where there were encumbrances as of July 13, 1978 is that the Inuvialuit were to receive all of the Crown share, or to say it another way, we are to receive all of what the Crown would have received had they retained ownership in 7 (1) (A) lands. Yes or no. This is a fundamental and simple question that you should have no trouble in answering quickly. Should you agree with our statement with respect to the agreement in principle and if it is not your intention to alter that commitment in the agreement in principle you should have no difficulty in giving us your consent to the three commitments we requested on October 21, 1981.

The point is that this is a specific example of a bill actually affecting native rights which have already been negotiated. I challenge the government to answer the concerns of those people. If it cannot do that, it cannot say that this bill is neutral with regard to northern rights.

I want to conclude by saying that in this bill we, the NDP, have taken positions on environment, on industrial spin-offs, on Canadian content, and on protecting the rights of northerners. The government has not been responsive to these issues; but we have not lost the fight. That fight will continue. We will continue the fight in other ways and in other bills and in the areas that are affected.

I should like to say—I think this is where my friend, the hon. member for Calgary Centre (Mr. Andre) fell down—that what we have to do in this bill and in the energy policy is to nation build and to recapture for ourselves the ownership of

our resources and their development. We must give our children and our children's children a better share in a world where an adequate supply of energy is fundamental. I think the Canadian people understand that. I think they know that energy is fundamental, and that what we do with energy and how we develop it will really determine the future of succeeding generations in Canada.

• (1740)

We will not settle for no loaf, like the Conservatives, or for half a loaf, as the Liberals propose in this bill with its glaring weaknesses. Mr. Speaker, we want the whole loaf; we want control of the energy industry by the Canadian people.

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, as we go into the final stages of debate on Bill C-48, I should like to make a few comments. One of the major concerns that this party has about Bill C-48 is the powers that it gives to the Minister of Energy, Mines and Resources (Mr. Lalonde).

I should like to congratulate the hon. member for Vancouver-Kingsway (Mr. Waddell) for stating the position of the New Democratic Party. If anyone had any doubt about NDP philosophy, it would have been removed by the speeches we have heard on Bill C-48 over the last few days. That party is completely and totally opposed to the free enterprise system. If it could destroy more industries by nationalizing them and socializing them, it certainly would. I will point out what it would cost the Canadian people to go along with nationalizing industries. There would be a loss of investment money, a loss of jobs, and companies would move out of Canada.

The hon. member for Vancouver-Kingsway said that this party is the spokesman for the oil companies. Mr. Speaker, this party is the spokesman for every small Canadian business. I will speak up for Canadian business and do everything I possibly can to oppose this socialist legislation of the Liberal and NDP parties and its onslaught on Canadian business. The people most affected by Bill C-48 are the small Canadian businessmen, and the government is out to get them.

In his speech this afternoon, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) spoke of cheap gas and cheap oil, but there is no cheap gas or cheap oil, Mr. Speaker. In the 1980 federal election campaign the Liberal party promised Canadians that energy prices would stay low. It claimed that the price hike would be less than half of what this party had planned, and that it would negotiate an increase of less than 14 cents. Depending upon the location in Canada, in 1980 gasoline prices rose by between 22 cents and 29 cents per gallon, far in excees of the promised 14 cents. The Liberals were returned to power after campaigning against our energy price proposals, and since then gasoline prices have risen in some areas by as much as 65 cents per gallon.

Increases due solely to federal taxes amount to 36 cents per gallon, which is twice the 18 cents per gallon excise tax proposed in our budget. Since that election the price of home-heating oil has risen by 44 cents per gallon and more. This situation will be further strained in the next few years when the federal-Alberta agreement allows crude oil prices to rise at almost double the rate of our proposal.

These energy price increases have been imposed without benefit of the energy tax credits that would have provided $250 for a typical low or middle-income family this year as a hedge against the price increases. I will say no more, Mr. Speaker; the real facts are evident.

This is the sort of false information that the Liberals are sending out to their constituents, but what is new about that?

I have here a document sent by the Secretary of State (Mr. Regan) to his constituents in Halifax in December 1980. It contains a graph headed "Gasoline Crosbie vs MacEachen" and shows that under the Crosbie pricing plan, in 1981 gasoline would have cost $1.56 per gallon or 34 cents per litre while under the Liberals the price would be $1.36 per gallon or 30 cents per litre. That is totally false, Mr. Speaker. In Halifax, and in parts of Nova Scotia, at the present time the price is around $1.74 per gallon. A colleague from Nova Scotia informs me that it is even higher than that, but this is what a minister of the Crown told his constituents in a document he sent to all of them. He claimed that gas would only cost $1.36 in 1981. We find out now that in Nova Scotia people are paying $1.74 or more.

In the last federal election the Liberals also told the Canadian people night after night on national television that they would lower interest rates. That was another lie. There was also all the nonsense about cheap gas.

Let me put on record what the Liberals have done for the Canadian people in the area of energy since they were returned to power, Mr. Speaker. On November 1, 1980, a tax of 80 cents per barrel was imposed. This translates into about six tenths of one cent per litre or 2.7 cents per gallon. This tax was imposed to help cover the cost of subsidizing refiners for the difference between domestic and world prices, which is about $20 per barrel.

On January 1, 1981, the same tax was increased by $2.50 per barrel, which amounts to 2 cents per litre or 9 cents per gallon. We did not hear anything about that from the Liberals in the last election campaign. The message was that we would get cheap gas.

On March 1, 1981, retail prices climbed about eight tenths of one per cent per litre or 3.6 cents per gallon to reflect an increase of $1 in the wellhead price of oil on January 1. By agreement, oil companies do not pass on a wellhead increase to consumers for 60 days.

On March 3 of this year a special tax of 75 cents per barrel or about six tenths of one cent per litre or 2.7 cents per gallon, was imposed because of the Alberta production cuts.

On May 1 of this year a special levy of $1.15 per barrel was imposed, which is almost one cent per litre or 4.5 cents per gallon. The purpose of this levy was to finance the bulk of Petro-Canada's $1.46 billion of Petrofina. This was not required, but $1.46 billion in Canadian funds went to Belgium.

I fail to see how that would help Canada or the Canadian consumers. The Liberal policy of paying world price for imported oil costs Canadians $500,000 per hour.

On June 3 of this year consumers were dealt a double whammy. The special tax implemented because of the Alberta cuts was increased by $1.10 per barrel to $1.85. At the same time the government increased by $1.25 per barrel the tax aimed at helping cover the cost of subsidizing refiners for all imports. As a result, prices rose immediately by 2 cents per litre or 9 cents per gallon. It is up, up, up, Mr. Speaker. So much for the government's phony statement in the last election that Canadians would get cheap gas.

On September 1 of this year retail prices increased by eight tenths of a cent per litre or 3.6 cents per gallon because of a July 1 increase of $1 per barrel in the wellhead price. The litany goes on and on and on, Mr. Speaker.

One of the groups I will speak up for at every opportunity is the Canadian Petroleum Association which is comprised of small Canadian firms. I am proud to speak up for that group which is being shafted by Liberal-NDP policies. The October 1981 bulletin of that association quotes from a speech of the chairman as follows:

In October 1980 our ability to meet the challenge of oil self-sufficiency was practically destroyed with the introduction of the NEP (National Energy Program) and the federal budget.

It is interesting to note that in a recently published report, the National Energy Board has supported industry's position that "Canadian oil self-sufficiency by 1990 is futile unless the energy industry receives higher returns than provided under the NEP.

● (1750)

Since last October the Canadian Petroleum Association, which is comprised of small Canadian businesses not multinationals, has been urging governments to return to the negotiating table to settle their revenue-sharing differences and to return a reasonable share of the revenue to the industry. The industry cannot continue to function if its cash flow is going to be cut off. Also, there is mention about the huge profits of the multinationals. I am not a spokesman for multinationals, but I want to point out that just about all of these major oil companies have been borrowing money every year to continue with their exploration, and all their large profits go into exploration.

There was also an excellent document put out by the Nisku Businessmen's Association in Nisku, Alberta, earlier this year explaining the impact of the National Energy Program and the tie-in with Bill C-48. It is entitled "The Impact of the Federal Budget and National Energy Policy on 41 Oil Service Companies in the Nisku Business Park." It goes into great detail as to how the companies will be laying people off and will be buying less goods and services in Ontario and Quebec. I fail to see how that is helping Canada or the Canadian consumer in any way at all. The report states:

Of the responding companies in our survey, 49 per cent indicated that they had some type of branch office located in Alberta or northern British Columbia. Some of the locations included Grande Prairie, Calgary, Lloydminster, Edmonton, Brooks, Fort St. John and Fort Nelson. Most of the branch offices were involved in either sales, manufacturing, repair, storage or supply.

Out of the existing branch offices, 40 per cent will be shut down as a result of the budget.

Liberal policies will not cause companies to shut down in the OPEC countries, Venezuela or Mexico, because the government is pouring out money every day, paying the world price for imported oil instead of reaching agreement with the producing provinces, which could continue with oil exploration if they received a half decent price from the Liberal government; and there is oil in every province in Canada. With its policies, the government closed down 1,400 wells in Saskatchewan and brought the oil exploration industry in Manitoba to a grinding halt.

In another paragraph, the document reads:

LOSS OF OPERATIONS IN CANADA

One of the implications of the budget was the movement of business across the border to the United States.

I have gone into that at great length. These policies have certainly benefited the United States: North Dakota, Montana, Colorado, Oklahoma and Texas.

The document states further:

Prior to the budget's announcement, none of the firms responding to our survey had operations located in the U.S. As a result of the government's actions, 34 per cent of the companies indicated they would be moving a portion of their business outside of Canada.

I fail to see how that is helping anyone in Canada. The document goes on to read:

This movement will involve from 10 to 50 per cent of the firms' total operations with an average of 30 per cent.

It should be noted that most of these figures result from company forecasts. This may change as the situation concerning the budget changes.

Concerning the effect on employment in relation to the Liberals' energy policies, the document reads:

As of October 1st, 1980, the companies surveyed employed 3138 in Alberta and 1456 in Nisku.

After the budget was introduced they employed 2965 in Alberta and 1201 in Nisku.

This resulted in a loss of 255 jobs at Nisku or in the Nisku offices of the firms surveyed plus an additional loss of 173 jobs in branch and field operations.

Considering the large amount of oil service and related firms in Alberta, these figures from only 41 firms could represent a great loss of jobs throughout the province.

The report goes into some detail on the effect on other industries. Of course, most of these industries are located in Ontario and there are a number in Quebec. The report states:

It is an economic principle that when one section of Canada's economy is affected by some event, other areas are also directly affected. This can be seen in the cutbacks in orders to suppliers from the oil and oil related firms in the Nisku Industrial Park. The federal budget and NEP have caused slowdowns and loss of sales in these firms, which in turn decreases their expenditures on supplies and inventories.

Through our survey we obtained a list of suppliers in Alberta and eastern Canada who have been affected by the decrease in spending.

The document goes on to list dozens of firms, and also names the general industries in Canada which have been affected by the National Energy Program and Bill C-48. It also points out the following:

As a result of cutbacks or cancellations of purchases by the 41 companies responding to our survey, $1,470,000 in revenues was lost by eastern suppliers in the last quarters of 1980. Forecasted cutbacks in purchases to eastern suppliers in 1981 will amount to approximately $20,000,000 from these 41 firms.

It is no wonder that we have lay-offs and high unemployment in eastern Canada. The document goes on and on about the effect of the NEP on the industry right across Canada. It is unfortunate that the Parliamentary Secretary to the Minister of Energy, Mines and Resources did not read this document. Just about every day one can pick up another document and find out about another business which is moving out of Canada, another large portion of money moving down to the United States because of Liberal policies, and nothing is being done about it. The October issue of the *Energy Month* states:

But in spite of the security blanket provided by the U.S. market, all manufacturers realize that they are vulnerable without Canadian sales. Wally Kuchar, president of Tri-Service Machine Ltd., is very blunt about the situation. "If it wasn't for the U.S. and Reagan's policies, we'd have had to lay off half our people."

Is that not a great policy that we have here in Canada? The article states further:

Gus Carscadden echoes the same view; "If it wasn't for the U.S., we'd be in desperate straits." Other manufacturers concur.

I have another document called the Alberta report. Earlier this year it was called the casualty report number four. Of course, the casualties have certainly been rising. It points out that since the publication of the National Energy Program on October 28, 1980, the Canadian Association of Oilwell Drilling Contractors has published periodic reports on the exodus of rigs to the United States. It states that from October, 1980, to March, 1981, 114 drilling operations moved to the United States. Forty-nine service operations moved to the United States. Is this not wonderful? Is this not really helping us? These insane socialistic policies are just great. Also, from April 1, 1981, to August, 1981—

Mr. Waddell: That's only the Alberta report.

Mr. McKenzie: —seventy-five drilling operations were to move. In servicing operations, 58 rigs were out of service. These are the figures for the summer of 1981. There were 124 rigs out of service and 126 servicing operations. How on earth will we reach energy self-sufficiency?

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please! It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. McKenzie: Mr. Speaker, this afternoon before the supper break I was commenting on the casualty reports with regard to drilling and servicing operations being forced out of the country because of the Liberal government's energy policy and Bill C-48. I want to conclude my comments on the casualty reports. It has been pointed out that half of Canada's 1980 rig capacity would be idle or in the United States by mid-1981 and that $850 million worth of Canadian rigs would be in the United States by mid-1981, and will not be back. The resulting job loss is 20,000. Yet we are told that this is good for us.

I commented earlier today with regard to information which the minister of state responsible for fitness and amateur sport was sending to his constituents. In this respect I congratulate my colleague, the hon. member for Halifax West (Mr. Crosby), for exposing the false information which this minister is distributing to his constituents concerning gas prices. I have extracted a page from the householder sent by the minister responsible for fitness and amateur sport to his constituents. In it he points out that gasoline in 1981 under the MacEachen formula will be $1.36 per gallon. We know perfectly well that gasoline is not $1.36 a gallon; it is $1.74 and more. How can we believe anything the Liberals tell us about anything when this kind of false information is being sent out to constituents? I suppose this type of thing is going out all across Canada. Therefore, I offer my congratulations once again to the hon. member for Halifax West for exposing this minister of the Crown, this great Liberal, who has been sending out this sort of information to his constituents.

We had a debate earlier today on the subject of why nationalization of industry is so great for Canada. I have not seen any evidence that it is great at all. I would like to quote some remarks made by another colleague of mine, the hon. member for Capilano (Mr. Huntington). On October 29, 1981, as reported in *Hansard* at page 12322, the hon. member for Capilano said:

I wonder why that great NDP haven and example of the perfect life for the masses—I am speaking of Sweden—has backed away from increasing state ownership, to the point now where the state owns less than 5 per cent of the economy.

The Swedes have learned their lesson with regard to state ownership, infringement of the private sector, driving private enterprise out of the country, etc. and they have reduced state ownership to 5 per cent. I have not heard any of the NDP members reading that into the record.

It is amazing how many people across Canada have done research into the Liberal government's energy policies, its energy program and Bill C-48 and have exposed all the weaknesses. A recent article written in Calgary stated:

The probability Canada would be oil self-sufficient by 1990 was "close to zero," says a report by the Canadian Energy Research Institute.

The institute said it expected oil imports would peak in 1985 at 83,700 cubic meters or 526,000 barrels a day, an amount equalling 28 per cent of the domestic demand.

"The federal government's goal of self-sufficiency by 1990 will not likely be achieved unless there is a very substantial departure from anticipated crude oil supply and demand patterns. In fact, the expected value of oil imports by 1990 is 71,000 cubic metres a day (24 per cent of domestic demand)."

"While the probability of imports being less than one third of domestic demand in that year is .82, the probability of imports being eliminated by 1990 is close to zero,"—

Therefore, Canada will keep pouring money into OPEC, into Venezuela and into Mexico. We are told by the Liberals that this is good for us and that it is great for Canada. I fail to see how that is great for Canada. It is great for OPEC, it is great for Mexico and it is great for Venezuela, but it is not great for Canada. What Canada will experience is loss of jobs and more rigs and investment money leaving our shores.

Mr. Nielsen: They are not interested over there.

Mr. McKenzie: Statements have been made on behalf of the oil industry recently by small Canadian businessmen and by spokesmen for small Canadian oil companies to the effect that Canada's energy policies will cost at least 60,000 jobs across Canada. The Minister of Employment and Immigration (Mr. Axworthy) and the Minister of Labour (Mr. Caccia) have band-aid programs to create unemployment. They are on a treadmill going backwards. There is no way they can cope with the damaging energy policy that will cost Canada 60,000 jobs. Canada is on a disaster course with this energy policy, Bill C-48 and all the rest of it.

There was an excellent editorial in the *Peterborough Examiner* recently. A thorough study was done in it of the Liberals energy policy. In part, this editorial reads:

> Canadians should open their windows and howl their rage till Ottawa hears it.
>
> Never, surely, have so many been taxed so much for so little. Never, surely, have political promises been broken so cynically.

This is just what we witnessed in the last federal election. The Liberals were going to lower interest rates and give us cheap gas. It is unbelievable what Liberals will say and what they tell the Canadian people.

Mr. Nielsen: They have given us a lot of gas.

Mr. McKenzie: Yes, as the hon. member for Yukon (Mr. Nielsen) said, the Liberals have given us a lot of gas. The editorial in the *Peterborough Examiner* continues with these words:

> It is quite useless to upbraid the Trudeau government for the despicable way it has reneged on its election promise to keep energy price increases below the 18 cents a gallon the Clark government was proposing as increase in the excise tax on fuel. The Liberals have no shame about such cynicism; they showed that in 1975 when Trudeau brought in wage and price controls, blatant reversal of a firm promise given in the 1974 election.

It goes on to state:

> Surely the sting of another four cents a gallon, hard on the heels of so many other increases in energy prices since the Liberals regained office, will prompt Canadians to demand an end to blatant Liberal dishonesty.
>
> We should shout in unison that we're mad as hell and we're not going to take it any more. Otherwise, we shall continue to get what we deserve for putting out trust in such a government.

● (2010)

The last opportunity the Canadian people had to give the message to the Liberal government was the recent byelections in Spadina and Joliette.

Of course, we have seen further evidence of their blatant lies and false information sent out to the Canadian people with the minister sending out false information on gas price increases, as the minister of state for fitness and amateur sport has done.

An hon. Member: Diamond-toothed Gerry.

Mr. McKenzie: We have now heard the hon. member for Halifax suggest that he is "diamond-toothed Gerry." That is probably a very good description.

There are a number of others in our party who wish to speak on this subject tonight. I hope they will emphasize the dishonesty of the Liberal Party in the false information it is sending out on energy prices, oil and gas prices, lowering interest rates and what have you. We have to keep up this attack relentlessly to get the message across to every Canadian citizen, the taxpayers, to show them what kind of government they have.

An hon. Member: They cannot be trusted.

Mr. McKenzie: They certainly cannot be trusted. They say they will lower interest rates. They will lower the interest rates, my foot! I better sit down before I blow up, Mr. Speaker.

Mr. Howard Crosby (Halifax West): Mr. Speaker, this House is now engaged in the final review of Bill C-48 which enacts the Canada oil and gas act. The detailed consideration given Bill C-48 on second reading, before the Standing Committee on National Resources and Public Works and at report stage has questioned the value and effect of virtually every provision of this bill, yet we know that inevitably the government will utilize its majority in this chamber and in the other place to stamp a mark of approval on this legislation. Our task in this final review is to make one last attempt to prevail upon the government to change the more onerous and disruptive provisions of this new Canada oil and gas act. In the presence of a government majority, which in some particulars is aided and abetted by the New Democratic Party, this may be an impossible task, but the effort to expose the unfair and unconscionable provisions of Bill C-48 will at least bring the dangers of this legislation to public attention.

Some hon. Members: Oh, oh!

Mr. Crosby: Let me review the basis—I will deal with them later, Mr. Speaker, after I have concluded my remarks. And when I go off the cuff, in my usual fashion I will slay those members of the NDP.

Some hon. Members: Oh, oh!

Mr. Crosby: I might have to interrupt my comments now and start on them right away.

Let me review the basis for Bill C-48 in my attempt to expose to public light and condemnation the damaging aspects of this legislation.

The bill is intended to implement the National Energy Program which was unveiled in this House on October 28, 1980, as part of the budget introduced by the Minister of

Finance (Mr. MacEachen). That fact, the introduction of a National Energy Program as part of the government's financial and fiscal policy, is vital to an understanding of the purpose and effect of Bill C-48. One might ask why it is so. The reason is that the proposed Canada oil and gas act is not in a real sense an energy bill, it is a financial bill. Its true purpose is to gain federal control over some of the most important resources in this nation, the petroleum resources in northern Canada and in the coastal submarine lands. Indeed, that is the real purpose of the National Energy Program. It will result in federal control of energy resources.

Let me explain this point. For most of this century the emerging wealth of Canada has been based on the construction and manufacturing sectors of the economy;. the builders of ships and vessels, the manufacturers of automobiles and equipment, and on the process of natural resources like timber, metals and petroleum. Until recently the resources themselves were relatively cheap, particularly petroleum. Today depleting resources such as petroleum and base metals are more valuable. As a result of the combine formed by the oil producing nations that form OPEC, in one decade they raised the price of a barrel of oil from the $4 level to the high of $44 in Canadian funds. It is very easy to recognize that the federal government was anxious to switch its concern from the manufacturing sector and the excise tax revenue it brings to the natural resources sector and obtain direct ownership of the wealth produced by energy resources.

Let me provide an example. Cape Breton in Nova Scotia has vast supplies of coal adjoining its coast. For years; indeed, exactly one century following confederation, the federal government gave no attention or concern to these coal resources. The province of Nova Scotia administered the mining leases and licences that affected the coalmining industry and that resource. In 1967 the principal operator of the Cape Breton coal mine simply abandoned the operation, placing thousands out of work and causing economic havoc. Here is the point. The Government of Canada had to be dragged, kicking and screaming, to assist the province of Nova Scotia to salvage the operation of the Cape Breton coal mines. By agreement with the province of Nova Scotia, the federal government established the Cape Breton Development Corporation to take over the operations of the coal mines. I make no complaint about that action. It was justifiable on both economic and humanitarian grounds. Here is the unusual aspect of that arrangement.

The federal government asked the province of Nova Scotia to transfer and convey to this Crown corporation, Devco, the Cape Breton coalfields lying under coastal waters off the coast of Nova Scotia; that is the submarine lands. The obvious inference is that in respect of the submarine coal resources, the Government of Canada believed that ownership rested with the province of Nova Scotia.

Let us look at Bill C-48. First, it applies to the Canada lands and it contains a definition of those lands. It says that Canada lands include those submarine areas adjacent to the coast of Canada.

My point is, when the federal government was dealing with the coal resources that lie in the submarine lands off the coast of Nova Scotia, it made no claim to ownership. But when it was discovered that those same lands off the coast of Nova Scotia and, indeed, off the coast of Newfoundland and other coastal provinces, might contain petroleum resources, then the federal government took a real interest. As I said, its concern and objective is to gain control of these energy resources.

That is my point. For a century the federal government had no wish to involve itself in Nova Scotia submarine lands, either in relation to coal or petroleum. But, in the 1970s the global picture changed and the federal government has changed its attitude. Its motive and intent is to capture the resource industry, and the government has a number of techniques to accomplish this end. One of the techniques it will use to reach this goal is, in the case of the submarine lands, its claim of ownership. The same applies to northern lands. Again, the federal government is claiming ownership without regard to the Northwest Territories' and Yukon's authority. In the case of Alberta, British Columbia and Saskatchewan, the federal government is using its taxation and trading powers to gain control.

• (2020)

I have underlined the need to examine Bill C-48 in the context of the National Energy Program. I believe I have also demonstrated that the principal motive and intention in establishing the National Energy Program is to gain control of the revenue from energy resources, especially oil and gas. There is no doubt that the government, which controls the wealth of the nation, exercises the real power in this country. The federal government is unwilling to share that power, and this is the real problem in Canada today—the failure of the government of Canada to deal fairly and properly with the provincial governments.

Mr. Nielsen: They share it with the NDP.

Mr. Crosby: My colleague for Yukon (Mr. Nielsen) says it wants to share it with the NDP. I say to the hon. member for Yukon that there is no doubt that many of them support the federal government in this action. They want the federal government to control the wealth of this nation. My friends in the NDP would certainly stand up to be counted on that issue. They want to help the federal government gain control over natural resources and to gain power in many other areas.

An hon. Member: Who do you want to control it, someone outside the country?

Mr. Crosby: I want the control in this country to vest in a proper balance between the federal government and provincial governments. That is the basis of our confederation. That is what happened in 1867. The provincial governments got together to form one Canada. Under that arrangement, they gave powers to the Government of Canada. Those powers are very clearly outlined in the British North America Act, as are the powers and authorities of the provincial governments.

Unfortunately, my friends to the left probably do not know what that distribution of power is. If they do know, they do not care because after 100 years of confederation they want to throw out all the rules and start over again. That would be fine, Mr. Speaker, if you had the consent and concurrence of the people of Canada, but that does not occur simply by presenting a bill to the House and having it enacted with the force of a pre-ordained majority, with the help of a rump opposition.

We have different principles in this party. We believe in fair play between the federal authority and the provincial authority. We believe that is the basis of confederation and that is the only way to accomplish such a change. We saw in Canada a demonstration of that this very month. We saw a demonstration of what happens when the governments across Canada sit down and bargain fairly. They can achieve an agreement. They achieved an agreement which the Prime Minister (Mr. Trudeau) said time and time again in the House could not be achieved—the very agreement that the leader of the NDP said could not be achieved. It has been achieved. The government is not telling us the truth. They do not know the situation.

We can achieve an agreement just as easily on natural resources by sitting down at a conference table with the Prime Minister of Canada acting in a fair and proper manner with the provincial authorities. There is no need to be here fracturing a piece of legislation called the Canada oil and gas act. We can come to an agreement on provisions that are appropriate, proper and fair to all governments in Canada and to all Canadians. It is the Government of Canada led by the Prime Minister that does not want to achieve agreement. It is not the people of Canada and it is not the provinces which do not see the good sense of coming to an agreement on these things. They have proved that. The government said it could not be done, but it was done and let us put that to rest right here and now. Agreement can be reached if the approach at the bargaining table is fair and honest. If the NDP have learned nothing from the constitutional process, I hope they have at least learned that. Do not blindly back the Prime Minister and his government in their attempts to force their will on the Canadian people. Examine, in an honest way, what they are doing and stand up for the people of Canada who want to see an agreement achieved by the appropriate democratic and parliamentary process.

If my friends to the left need any more lectures, I will be glad to give them, but I am here to talk about the Canada oil and gas act as contained in Bill C-48.

The National Energy Program sets out certain goals, some of which have already been dealt with by some members but they bear repeating. The three goals set out in the National Energy Program under the signature and imprimatur, as we say, of the Minister of Energy, Mines and Resources (Mr. Lalonde) are these: Canadians want to seize control of their own energy future through security of supply and ultimate independence from the world oil market.

Mr. Nielsen: Hear no evil, see no evil, speak no evil.

Mr. Crosby: That is right. They on the other side certainly do not see anything. I do not know what they hear.

The first goal of the National Energy Program as outlined in the document is the securing of energy supplies. I assume that the minister meant self-sufficiency in energy for Canada and Canadians. Who could quarrel with that goal?

The second goal outlined in the National Energy Program is that Canadians will be given the real opportunity to participate in the energy industry in general and the petroleum industry in particular. I will have a lot to say about Canadians participating in the energy industry in general and the petroleum industry in particular in accordance with the plan promulgated by the Government of Canada.

The third goal is that a petroleum pricing and revenue sharing regime that recognizes the requirement of fairness to all Canadians, no matter where they live, must be established. I can dispose of the third goal quickly. We all know that is the blended price, the made-in-Canada price that we talked about in the election campaign. The government is going to bring everything together and charge a price that is fair to all Canadians. Well, my colleague, the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) has put that issue to rest for me. He indicated that the minister in charge of fitness and amateur sport, also dubbed Secretary of State (Mr. Regan), outlined for the public what the price was to be. Not only was he foolish enough to say it, he put it in a document which he then circulated to the people of Halifax. He said the price for gas in the city of Halifax in 1981 would be $1.36 a gallon. Well, Mr. Speaker, it is only November 9, and I defy you to go anywhere in the city of Halifax or in the province of Nova Scotia and buy a gallon of gas for under $1.80.

Mr. Paproski: Shame on Regan.

Mr. Crosby: I think that is the end of the third goal of the National Energy Program. They have already lost that one, and I think it is behind us. I do not think anyone believes there is anything about a fair petroleum pricing policy in this document. Revenue sharing is another matter and I will deal with that.

Those are the three goals of the National Energy Program. Perhaps we should review the energy situation in Canada and assess the goals of the National Energy Program in these other areas which are not yet abandoned, and deal with it on that basis.

As I understand it, Canadians consume about 1.8 million barrels of oil per day. This results in a shortfall of approximately 400,000 barrels a day. That means 400,000 barrels of oil have to be imported into Canada on a daily basis to supply the needs of Canadians. I am familiar with that statistic because I live on the east coast which does not have access to Canadian oil supplies, and we Canadians who live on the east coast are the consumers of the 400,000 barrels of oil per day. We are very thankful to all Canadians that they subsidize the purchase of that foreign oil at the rate of 400,000 barrels a day because that oil today costs about $44 Canadian per barrel, and that would be an absolutely disastrous burden on the

residents of the maritime provinces and Newfoundland and that part of Quebec which does not have access to Canadian oil. At current rates we are talking about an expenditure of some $4 billion a year to pay for that supply of offshore imported oil. Of course, as we all know, the beneficiaries are foreign states and nations. Those funds leave Canada and never come back, so when we are talking about energy self-sufficiency and about goals for a national energy program, let us remember that this very day about $10 million is leaving Canada to purchase foreign oil.

● (2030)

I do not think anyone has to reflect on that problem for very long to realize that something has to be done about that right away. An obvious goal of any energy program for Canada, whether it is stated in the document or not, must be to create and develop projects which will eliminate the need for imported foreign oil. Those projects must take place in Canada and preferably be projects which benefit Canadian industry.

What are some of the projects? Offshore exploration is going on off the east coast of Canada. Particularly in the case of Newfoundland there is a high level of activity which has already indicated producing wells and has given indications of very substantial oil supplies for the future. However, it is expensive, and we must encourage people in the private sector who are willing to take on projects like offshore exploration, particularly in waters which are iceberg infested, deep and create a great many problems in the course of drilling and development.

The high Arctic is a second area of activity. I am sure my colleague, the hon. member for Western Arctic (Mr. Nickerson) is interested in those projects. Again the development is fraught with difficulties and high costs. Added to that is the fact that development is very uncertain. In many cases the companies are carrying out new techniques in attempting to develop Arctic oil and gas, and they are up against very difficult obstacles. We have to have a national energy program which will encourage that kind of development.

A third major project area in which I have a particular interest is the Alberta tar sands. I had occasion to visit Alberta and to examine some of those projects, particularly in Fort McMurray but also in Cold Lake, and I was very much impressed with the work being carried on there by the private sector. Millions of dollars are being invested. In some cases the projects have been brought to completion and are producing vast quantities of oil—100,000 barrels a day in one project—and even we on the east coast have a great interest in seeing those projects go forward successfully because they will, in combination with offshore exploration and Arctic exploration, develop the self-sufficiency which is required for all Canadians.

The purpose and the ultimate goal of a national energy program must be to produce energy self-sufficiency for Canada and for all Canadians, and we ought not to take into consideration regional concerns only because in this goal of energy self-sufficiency we must recognize that there is a national interest. Whether there is a need for a program of Canadianization as described in the National Energy program, whether there is a need to take over assets and take them away from the private sector—

Mr. Nielsen: Nationalization.

Mr. Crosby: —and whether there is a need to nationalize the petroleum industry and the energy industry is another question, and I will not hesitate to give the answer to that question. It is not necessary.

I want to review in greater detail the objectionable features of Bill C-48 from the particular perspective of Nova Scotia. Under Bill C-48, as I have indicated, Canada lands are defined as including the submarine lands off the east coast and off the west coast. Let me review very briefly the history of the claims to the submarine lands on both coasts. In the case of British Columbia it was decided some time ago by the Supreme Court of Canada—as I recall, in 1968—that the federal authority owned the lands off the coast of British Columbia. That Supreme Court decision was not entirely definitive, and I understand the government of British Columbia even today makes claims for some of the submarine lands off the coast of British Columbia, particularly the lands within its territorial waters, as they are called.

However, in the case of Nova Scotia, and I can include the province of Newfoundland as well, there has been no such court decision, so it is open to the province of Nova Scotia to make a claim to the submarine lands. That claim has been made and is based on historical fact and precedent. By a letter dated May 12, 1981, in relation to Bill C-48, the Premier of Nova Scotia informed the Prime Minister of Canada in no uncertain terms that the province did claim the submarine lands which would otherwise be included in the definition of Canada lands contained in Bill C-48. The premier said in his letter that the government of Nova Scotia claims management jurisdiction of all mineral resource wealth in the seabed in the area to which the Government of Canada in Bill C-48 is making claim. The claim is based, as I said, on historical fact and precedent, but the premier pointed out in his letter that Section 109 of the British North America Act is clear on the point. For the record, that section states:

> All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the Union, and all sums then due or payable for such lands, mines, minerals or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia and New Brunswick in which the same are situated or arise—

The provisions of Section 109 of the British North America Act simply carried beyond the date of confederation in 1867 whatever claims the province of Nova Scotia had to territorial lands. I will not put on the record of this House again the historical basis of that claim, but I will review it briefly by saying that prior to confederation in 1867 Nova Scotia had jurisdiction and ownership of the offshore by virtue of the Royal Charter of King James which was granted to Sir William Alexander and which was dated September 10, 1621.

Subsequent events, not the least of which was the control, management and supervision of the Cape Breton coal mines which are contained in the submarine lands off the coast of Nova Scotia, all indicate continuance of that claim to the present time. Indeed, the province of Nova Scotia has enacted a petroleum resources act which is similar in some respects, although not in the most onerous and disruptive respects, to the provisions of Bill C-48. In short, the province of Nova Scotia claims to own the very lands to which Bill C-48 refers.

Now the conflict is created. I will not speak of Newfoundland. I will limit my statements to reference to the province of Nova Scotia. A conflict of ownership and control has been created, and what does that conflict do to the exploration of the resources in offshore areas? It creates grave doubts and uncertainty in the minds of the companies and operators who seek to explore and develop these resources. Time and time again representatives of the companies which are carrying out resource exploration off the coast have indicated that this uncertainty has delayed developments, has caused decisions to be made which have resulted in cutbacks on the amounts expended for exploration, and has given rise to other difficulties. The effect of the continuation of this conflict means a retardation of exploration activities on the east coast.

● (2040)

I asked in the House whether the Prime Minister was going to do anything to resolve this conflict. He immediately responded that the matter could go to court. There are several ways of resolving the conflict. The least appropriate of these is a reference to the Supreme Court of Canada or any other court.

Having seen the result of the reference of the constitutional proposal, I must say I have a little more faith in that process and procedure than I had before. More important, I have had less faith in the judgment of the law officers of the Crown who are advising the Prime Minister and his cabinet with respect to the federal claim to offshore resources.

We have seen in the last few years two constitutional cases which indicated that the law officers of the Crown were mistaken; in one case they were in grave error. We had before the House a bill to revise and change the structure and status of the Senate. As we all know, that bill was struck down by the Supreme Court of Canada as being beyond the powers of the Parliament of Canada. We now have several reasons to doubt the legal opinion upon which the government is acting. Maybe one should approach the courts, particularly the Supreme Court of Canada, with a little more faith in their ability to right these obvious wrongs.

I have already said to the members of the NDP, who are now clearing the Chamber, that the way to resolve disputes is fair and proper negotiation. I have already said that the offshore resource dispute can be easily resolved in this manner. Let us hope that the Prime Minister has learned from his experience in the last two weeks and that he will sit down with the provinces of Nova Scotia and Newfoundland to work out an agreement with respect to offshore resources so that those interested can go on with the business of exploring and developing the natural resources which lie off the coast.

This is a matter of grave concern to all residents of Nova Scotia, and I suspect of Newfoundland and the Atlantic area.

Mr. Nielsen: And the north.

Mr. Crosby: And the north as well. I will confine my comments to the province of Nova Scotia. Our hope for the future, for development, for equality among the provinces and regions of Canada lies in resources in our submarine lands. To lose those resources to a greedy Government of Canada without appropriate compensation will take from the people of Nova Scotia their opportunity for equality.

I already addressed some remarks to the matter of oil pricing and that goal of the National Energy Program. We have seen the effect of the oil pricing policy on the prices of consumer gasoline and home-heating oil. We know it is a disaster. It does not have any offsetting factors like an energy tax credit or anything of that nature. The Government of Canada has just thrown the effect of its pricing policy in the laps of consumers and home owners.

There is another aspect to the pricing policy. That involves revenue sharing. The unfortunate part of the very high retail prices is that at a time when consumers and home owners are paying tremendous prices for gas and home heating oil, the companies and operators who seek to explore and develop Canada's petroleum resources are not receiving a sufficient return to enable them to carry out the projects which I have already indicated we need.

What are those projects? In his very valuable pamphlet called "Energy and Industry" Barry Beale indicates that industrial procedures arising from petroleum development over the next decade should total $210 billion. He says this about these projects:

> Of the $210 billion anticipated to be invested in the various energy sectors, roughly 37 per cent will be spent on energy supply programs that are relatively new to the Canadian experience and, in many cases, new to the global experience. Oil sands, heavy oil, and frontier oil and gas exploration and development in hostile environments are cases in point in which Canadian enterprises are in the forefront of global activity. These areas require an advanced and evolving technology to overcome technical limitations to their exploitation. Manufacturing opportunities will be defined over the next decade by the extent and speed with which these technical limitations are overcome and by the resolve that energy proponents bring to exploiting the resource. This in turn relies on the economic and political environment within which these investments must take place.

That says it all. We have to rely on the economic and political environment in order to have these essential projects go forward. There are benefits for all aspects of Canadian industry in these projects. As I found out, this is not confined to Fort McMurray, Cold Lake, Alberta, the high Arctic or the coast off Nova Scotia and Newfoundland. All Canadians can share in these developments, particularly the manufacturing sector.

We all have a very great interest in a fair revenue-sharing policy as a result of which these projects will be carried out. The other side of the coin, that is, that these projects will not be

carried out, will mean that for the next decade and even more we will be dependent on foreign nations for our energy supplies.

I want to speak very briefly about the involvement of Petro-Canada in the Canada Oil and Gas Act, in particular dealing with the provisions under which Petro-Canada can opt in to energy developments. I do not know the details of the arrangements among the oil operators. I know they are very complex and complicated. Those arrangements are the basis for the financing of their projects. It may well be you can enact a provision which will allow another party to come in at a late date and become involved in the project.

To say the least, this is a matter of real concern to energy operators. They do not know what effect this will have, whether it will destroy their ability to gain financing and so on. To say the least, the government has the responsibility of ensuring that the effect of these opting in provisions that benefit Petro-Canada will not have an adverse effect on Canadian energy development. So far we have heard far and wide that that is exactly what these provisions will provide. They will retard energy exploration and development in Canada.

Just a little aside on the matter of Petro-Canada. We do not always agree with the government side. If there is to be some real benefit to Canadians arising from the establishment and operation of Petro-Canada, all of us would be quite willing to make that admission. However, we have to wait and see.

Right this day Petro-Canada is engaged in spreading its operation across Canada. Just a few weeks ago in Halifax we had a great unveiling. The hon. member for Cape Breton-East Richmond (Mr. Dingwall) was not there, but some of his Liberal colleagues were there for the great unveiling. Down came the curtain and up came the Petro-Canada sign.

That is not very amusing. What is amusing is that a few days later a certain service station operator registered the public complaint that he was forced by Petro-Canada to purchase its products. When he had been a dealer for Canadian Petrofina, he was allowed to have other tires and commodities on his premises. He had occasion to go before reporters and other media representatives to tell them that a terrible thing was happening. "Petro-Canada is making me purchase their products. They are saying that I cannot have any other products in my station." The interesting thing, Mr. Speaker, is that that complainer was my Liberal opponent in the last federal election.

• (2050)

Some hon. Members: Hear, hear!

Mr. Crosby: How do you like that? The great defender of Petro-Canada is now saying on stage and elsewhere, "What is this company doing to the small-business men?"

An hon. Member: He changed his mind.

Mr. Crosby: He changed his mind. That is right. There will be many more people changing their minds when Petro-Canada stretches across this nation and starts overcharging on credit cards and will not change your tires when you get a puncture in them. There will be a lot of flack about Petro-Canada. Do not worry about that. I hope it all comes home to sit on your doorstep, Mr. Minister of Fisheries and Oceans (Mr. LeBlanc). I hope you get it all.

There are two important areas I should like to cover, but my time is running out. One is international relations. The Canadian National Energy Program and the Canada oil and gas act are hurting our relations with our great neighbour, the United States. The NDP might be interested in that. They might want to disrupt our neighbour. They might want to deal with El Salvador and Cuba and so on. But I would rather have a good relationship with the United States of America. I might be alone in wanting that, but that is my position. You can take Cuba, Poland and Hungary. They are all having their difficulties. I say, let us not disrupt our relationship with the United States.

The Canada oil and gas act protects the environment. It has a provision on the environment. We all know about environmental funds in Nova Scotia. We have a $60 million marine environmental fund which the government cut off. It said that $60 million was enough. I will tell the hon. members that $60 million will not take care of half of an oil spill.

I want to end on this note, Mr. Speaker. The Canada oil and gas act and the National Energy Program are like anything else. There has to be a balance based on common sense and good judgment. What government and the private sector have to achieve is a sensible balance. That is not occurring in the Canada oil and gas act and in the National Energy Program, Mr. Speaker.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I must say that there has been so much wind blowing from my right that I have got myself a cold tonight. I ask my colleagues to bear with me.

I am very happy tonight to have the opportunity to speak on Bill C-48, the Canada oil and gas act. I must say that I am not very happy at the fact that this is the last chance I will have to speak to the bill. Although we have already voted on the amendments to Bill C-48 that some progressive members had attempted—all of them have been voted down, I might say—there are a number of things that nevertheless must be said. I am certainly looking forward to talking about them in the next few minutes.

Before going into that, however, in recognition of my Tory friends I should like to comment on that devastating strike we saw in Canada a little while back that literally brought the economy of Canada to its knees. It is a strike the effect of which we will all feel for a considerable period into the future. Of course, I am talking about the strike of the oil companies, of capital, that pulled some very sophisticated techniques out of the hat, and their inability to force the federal government to backtrack on the national energy policy. We saw the orchestrated exit of oil rigs crossing the 49th parallel, and we saw the threats to Canada or the blackmail of Canada that the

heavy oil projects would be closed down, that the tar sands operation would be shut down. We heard the threats that they will not move into the frontier lands and not continue with the offshore exploration because this government's policy is too heavyhanded.

With the voices to my right helping them in their orchestration and the assistance of their Tory colleagues from Alberta, and even of some American congressmen and senators, they were able to convince the federal government that they needed to back off.

One group that was not taken in by the rhetoric and the scare tactics of the multinational oil companies was this group of members in this corner of the House, namely, the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Riis: The unfortunate thing about Bill C-48 is that it gives the impression that this is a major step toward Canadianization of our oil and gas industry.

Mr. Nielsen: Confiscation.

Mr. Riis: Of course, it is put together by some of the best myth makers in Canada, and I am referring here to the Liberal Party of Canada, who are able to convince and dupe the Canadian public into actually believing that this is a major step forward in bringing some rationale and sense to the oil and gas industry of Canada.

I think it is important, when we consider Bill C-48, that we recognize what resource we are actually speaking about. We have heard a great deal about the national energy policy. We have heard a great deal of rhetoric about the industrial strategy needed for Canada. We have heard a great deal about reforming the textile industry, making necessary changes to the automobile industry, looking into the forest industry and the necessary changes that are required there. We know about the various resources that need to be developed. We have talked about copper, lead and the uranium industry in Canada. We include in that same group the oil and gas industries as resources that need to be strategized, manipulated, nurtured and encouraged through the national energy policy.

I think it is important that we recognize that we are talking about a very strategic resource. It is not the copper, uranium, lead, or textile industry, it is not the auto industry or the forest industry; it is the most strategic resource in our western culture. Our western way of life is literally dependent upon this particular resource. Therefore, we in the NDP feel that it should receive very special attention, certainly more special attention than we have seen given to it in the NEP, as translated in Bill C-48.

Let us look at some of the fundamental issues we are dealing with, Mr. Speaker. We are dealing here with a certain frontier mentality that is nothing new to Canada. In many respects, it has built this country ever since the turn of the century, particularly in western Canada. We also recognize, when we see the frontier mentality at work, that we see a very cruel mentality, a mentality that is insensitive to people and to places. I need not remind any of the hon. members from the mining frontiers of British Columbia of what was done to the landscape there, of what the fur and timber frontiers did to the west coast and to the Indian people. We are again repeating the same kind of approach.

Mr. Waddell: Dome Petroleum.

Mr. Riis: We are moving into the north.

Mr. Nielsen: Will the hon. member permit me a question on a point of order?

Mr. Riis: Yes.

Mr. Deputy Speaker: The hon. member for Kamloops-Shuswap (Mr. Riis) indicated he would accept a question.

Mr. Riis: I will accept a question toward the end of my deliberations, Mr. Speaker. I will be glad to, especially from the hon. member for Yukon (Mr. Nielsen).

Mr. Nielsen: The frontier.

Mr. Riis: From the frontier. After decades of watching the frontiers of different elements move across our landscape and the inevitable devastation that followed them, surely we have learned enough not to repeat the same process north of 60.

I do not think there is any question that what Bill C-48 does is primarily to say to the oil industry, you have carte blanche to move into this area, despite their lack of sensitivity to the very strategic and sensitive ecology north of 60 and their total lack of any concern for native people and for northerners generally.

Mr. Nielsen: Have you been there?

Mr. Riis: Of course I have been there. I have been to the Arctic and to the north many times. I have seen what the exploration crews are doing to the Arctic communities and what the exploration crews are doing to the landscape in our Arctic, where they leave their mark not for ten years, not for a decade or two, but perhaps for generations—

Mr. Nielsen: How long were you there?

Mr. Riis: —where the same landscape was disrupted by explorers many decades ago. Those marks are left on that very sensitive landscape.

We felt in the NDP that if we were to introduce Bill C-48, which refers specifically to the areas north of 60 and offshore, we should consult with the government of the north and certainly consult with the native peoples of the north. We put that proposal forward in committee and asked our Tory colleagues to support us. Did they support us? No, they did not. Did our Liberal colleagues support us in committee? No, they did not. They refused to hold hearings in the part of the country that was obviously going to be adversely affected by the clauses in Bill C-48.

• (2100)

When we speak of exploring for oil and gas in the Arctic areas, the offshore and northern areas, another fundamental question is who should do it. Should it be the foreign controlled oil companies that by and large carry out this exploration, or should it be Canadian companies owned and controlled by the people of Canada? Certain elements in this House would suggest, as they have tonight, that foreign enterprise should carry out northern exploration. We in the NDP feel very strongly that Canadian enterprise should be the moving force in the north and that it should be publicly owned wherever feasible.

Another question is who will benefit from Bill C-48. Will the northern people benefit? We should ask the families attempting to raise young children in some of the exploration areas of the north about that and see how fascinated they are with this bill. Perhaps we should ask some of the ecologically conscious people who are concerned about what this bill will do to the environment of the north.

Who will this bill assist? With foreign enterprise involved as the major decision makers, once again it will be southerners who will take advantage of the frontier areas for those from even farther south, in the head offices of Houston, Dallas and New York.

As the hon. member for Vancouver-Kingsway (Mr. Waddell) made clear, the energy policy is made possible through giveaways by the federal government to the major oil companies. This is an absolute giveaway. I was surprised to hear member after member of the Progressive Conservative Party stand up in the House and rail about the necessity of free enterprise in the frontier areas without mentioning that out of every dollar spent on exploration in northern Canada, not ten cents, not 25, 50 75 or 90 cents but 93 cents, come from the people of Canada. How much do the oil companies put up? They manage to put up about seven cents on the dollar for exploration. Yet the Progressive Conservatives have the courage to speak about free enterprise. Where is the free enterprise in that particular equation?

We in the NDP are very concerned about the small business community in Canada because we hear its death knell being sounded today. Bill C-48 is one more nail in the coffin of small business in this country. When we talk about small business, we are talking about something in the neighbourhood of 940,000 firms which provide four out of every ten jobs in Canada outside of the public sector. We are talking about the only sector of our economy that is actually creating new jobs.

We know what big business is doing—it is merging, buying out, expanding its monopolies. Small business is where the job-creation programs occur. It is where research and development is carried through to production. It is where the new, innovative and creative ideas in manufacturing occur.

The government has missed a golden opportunity with Bill C-48 to provide a clear signal to the small businessmen of Canada that it recognizes their role, that it wants to encourage them, to support their efforts by building in to the program a very sophisticated, sound and strong "buy Canada" procurement policy. Why not "buy Canada" when it comes to the megaprojects planned for our country? Why not buy goods and services from Canadians rather than foreigners wherever possible?

I do not want to suggest for a moment that the purchasing agents of multinational oil companies are ogres or are insensitive. After all, these are usually people from Dallas and Houston who have come up to Calgary and Edmonton and farther north to Inuvik, Aklavik, and Tuktoyaktuk to do business. They need equipment, and their natural inclination is to contact their friends and colleagues in Houston and Chicago when they want to buy. It is the old boy system where you help out your friends.

When foreigners are making the decisions about procurement in Canada, it is not surprising that they look to their friends in the United States and to Germany and to Japan. We in the NDP ask why that should not be changed and a "buy Canada" policy made part of Bill C-48 to require that, whenever possible, goods and services be purchased from Canadian suppliers.

Incredible sums of money will be involved in servicing equipment in the north. In the next decade $210 billion will be spent on developing northern Canada.

Mr. Deans: Most of it outside the country.

Mr. Riis: Most of it outside the country, as my colleague says. The Royal Bank of Canada estimates that in the next 20 years in excess of $1 trillion will be spent developing megaprojects and exploring Canada lands. The unfortunate thing is that most of that $1 trillion will go to foreign suppliers. But that need not be the case, Mr. Speaker. We know that 85 per cent of the cost of exploration could come from Canadian sources. We also know that 90 per cent of all equipment for refineries could come from Canadian manufacturers, although at the moment only 30 per cent comes from Canadian manufacturers.

Canada is recognized as being quite sophisticated in the areas of training and education. We probably have one of the best educated populations in the world, yet most of the people in the engineering consortiums responsible for the engineering on the megaprojects come from San Francisco, Los Angeles, Detroit or Chicago. Surely the government has an obligation to provide the leadership necessary to pull together our own engineering expertise in order to develop our own resources?

Most of the labour used on our pipeline construction comes from Canada, but most of the equipment does not. About 60 per cent of the equipment used on Canadian pipelines is imported from the United States and other countries. Virtually all of this equipment could be manufactured and supplied in Canada, Mr. Speaker. Much of the skilled labour that will be required to develop Canada lands will have to be imported because the Liberal government did not plan to develop the expertise required for these projects.

The opposition parties put a lot of work into amendments to Bill C-48, Mr. Speaker. Of course, the government did accept eight changes. It changed the bill in eight ways, but then we must ask who benefited from those changes. You can bet it was not the native people of northern Canada, it was not the governments of northern Canada it was not the northern environment and it was not the small businesses in northern or southern Canada; predictably, the large corporations benefited. Changes were made for their back-in clauses, royalties were reduced and tax-escape clauses were introduced. All the changes were to help the large corporations, mainly foreign corporations operating in Canada's north. Of course, when one thinks about it, what could one expect from a government that refused even to go into the north and talk to those people who were to be directly affected by this legislation?

• (2110)

One of the myths which is perpetuated in this House almost every time someone from the Tory party stands up to speak is the extent to which we need this foreign investment, that it is absolutely mandatory for foreign companies to become involved in our oil industry. The surprising thing is that Canada is unique in the world. Canada is one of the only oil producing countries in the world that has not taken bold steps to control and own its petroleum industry. We are unique. We are a world leader. We have sold out more than any other country in the world. One can take a look around. Great Britain has taken a major step with its British National Oil Corporation. This corporation has first claim on 51 per cent of the share of the oil production off Great Britain's coast. Its purchase is negotiated at market prices. The BNOC may offer participation to joint venture partners, including foreign-owned firms, but it retains control of all projects. I think it is important, as my colleague, the hon. member for Vancouver-Kingsway, indicated, that it may change control, not only ownership, but certainly control must be the important thing.

Mr. Crosby: Sell it all.

Mr. Riis: Norway now has new gas finds off its north coast and substantial deposits off its western and southern coasts. In Norway, Statoil, the government oil company, can take up to a 70 per cent interest in any block of land that it does not already hold. Statoil takes this interest after a find but before development, and makes no payment at all for past exploration expenditures. Yet we hear a howling and a yowling from the Tories, particularly, saying that this particular Bill C-48 is an expropriation bill. It takes from the oil companies. Takes what from the oil companies? Does it take the natural gas and oil from the oil companies? I think it begs the question: who is it that owns that oil and gas now? Of course it is the people of Canada who own that oil and gas. We are simply saying that it is time that we developed these resources ourselves and that the benefits stayed in this country.

What about Australia? Certainly Australia is recognized as being one of the free enterprise countries of the world, but foreign companies are allowed to explore there. However, only Australian and naturalized foreign investors are allowed to produce energy from the resources, even in Australia. What about Mexico? We import oil from Mexico. Mexico took care of its situation there many, many years ago, back in 1939, and has nationalized its oil company.

Yes, we are a leader. We have sold out this strategic resource more than any other producing country in the world. We in the New Democratic Party are not very pleased at that prospect, and we feel it is time that major steps were taken to obtain control once again over that particular resource.

Let us go back to the myth that foreign oil companies are required to bring capital into this country. I think that we cannot overstate it. My colleague, the hon. member for Vancouver-Kingsway, has mentioned many, many times that the oil industry policy in Canada results in a net export of capital out of Canada. Our oil industries are net capital exporters. They do not bring money into the country, in spite of all the glossy ads that we see taken out in our national newspapers, again to justify what no other country producing oil and natural gas has accepted. Net capital outflows between 1975 and 1979, the last years for which we have statistics, amounted to $2.1 billion. If one were to add the dividends and interest payments that also left the country during that same four-year period, we would find that a total of $3.7 billion flowed out of Canada, a net export of capital of $3.7 billion.

Surely that should put to rest some of the arguments that we cannot do it ourselves and that we depend upon foreign investor in this particular sector. I will be the first one to say that we ought to welcome foreign investors and expertise of any kind. But surely it is time that Canada took major steps to ensure that this strategic resource is understood and controlled by Canada.

It is a sad day when people ask us, "How much natural gas do we really have left? How much oil do we really have?" It is sad when we have to respond that we do not know because we do not control it. The oil companies know how much natural gas and oil they have under their leases, and they are not telling each other. They are certainly not telling the rest of Canada. I think it is a sad day when such a strategic resource is controlled in a fragmented way by foreign capital.

Another myth, of course, is that the national energy policy is resulting in a major Canadianization of our industry, a major step toward Canadianization. I think it is important that we continue to emphasize that 65 per cent of our industry remains foreign controlled. It is something that, again, we in this party simply will not accept, and we will keep fighting until that percentage point is considerably reduced.

Another myth we keep hearing about is that the PetroCan Company of Canada is becoming too powerful. Even with Petrofina acquisitions, PetroCan ranks as Canada's eighth largest oil producer and Canada's third largest natural gas producer. Up to this point, we were quite proud of that. Unlike our Tory friends, we feel proud, for example, when we drive into our PetroCan stations.

I must say that when I go into the various stations around my riding and ask the operators how they are doing, they are

very pleased. Their business is up and growing. When one goes into a PetroCan station, one is investing in one's own company. It is not a foreign oil company that one is serving. It seems to me that this will be a challenge for Petro-Canada in the future. We must be different from the others. Petro-Canada must be accountable to the people of Canada. Petro-Canada must operate in a very businesslike manner. We must be very careful, as my colleague, the hon. member for Vancouver-Kingsway, has indicated, that it is not run by Liberal hacks, as we see all too often when it comes to Crown corporations, and that it does not start the corporate jetsetting about the country typical of so many of the private oil companies.

Here is an opportunity for Canada, endorsed by the people of Canada, to develop new techniques and new energy fields, to use Petro-Canada as an opportunity to move into the use of methane gas and hydrogen, and geothermal energy. It should be more than simply an oil and gas company, because I do not think there is anyone in this chamber who would say that oil and gas as a critical, strategic resource will be around much longer. The price will simply not be there. We have to move into other areas. We have to be innovative and take some real initiative to move into the development of new energy technologies. Surely, Petro-Canada provides us with that ready vehicle to move into wind energy, methane gas, hydrogen, geothermal energy, and on and on, and to take that initiative. We should see it as an energy company, not simply as an oil and gas company.

In closing, I would like to say that we in the New Democratic Party are disappointed that the progressive amendments which we put forward were not considered and given a fair hearing. We will continue to struggle to ensure that the next time a bill like Bill C-48 comes before us, it will mean something, and it will take into consideration the sensitivity of the northern and other environments, and that it will be sensitive to the people who will be directly influenced by the bill, such as the Inuit, Indians, Métis, and governments of northern Canada. It is time that the government became more sensitive along all these lines, but the fact that it is not is not surprising. Why should it become sensitive now? This government has shown an incredible insensitivity to westerners. Look at the recent decisions on VIA Rail. One could say it has an insensitivity to easterners, as well. It has an insensitivity when it comes to supporting economic infrastructure in western Canada. It is not surprising that once again through Bill C-48 the Liberal government has shown an insensitivity to the people and to the environment of northern Canada.

• (2120)

Mr. Nielsen: Mr. Speaker, I had asked the hon. member for Kamloops-Shuswap (Mr. Riis) if he would permit a question provided his allotted time had not expired. If it has, I would ask for the consent of the House. Would the hon. member permit that question now?

Mr. Riis: Yes.

Mr. Nielsen: Mr. Speaker, the hon. member spoke of the frontier in his speech. He knows of the aspirations of Yukoners and those in the Northwest Territories who strive so mightily toward provincial status. Without the revenues derived from resource development, this is not achievable. I think even the hon. member will recognize that. Will the hon. member say whether his party, in view of the fact that we in the Yukon and the Northwest Territories were not consulted whatever with respect to the provisions of Bill C-48, agrees with us that Bill C-48 should not pass at all unless resource revenue sharing arrangements are made with the governments of the Yukon and the Northwest Territories with a view to the achievement of provincial status of those two territories at the earliest possible moment?

Mr. Riis: Mr. Speaker, I will gladly respond to that very thoughtful question. First, I would remind the hon. member that in committee we were very anxious to consult the people of the Yukon.

Mr. Deans: Who stopped us?

Mr. Riis: We felt that it was absolutely necessary to consult not only with the territorial government in the Yukon but with the native people, as well as other people from the Yukon.

Mr. Nielsen: They all came.

Mr. Riis: When we asked to have that supported in committee, the Tories did not give us that support, if I recall correctly.

Some hon. Members: Oh, oh!

Mr. Deans: That is absolutely true.

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

Mr. Deans: I thought you asked a question. No one told you how to answer your question.

The Acting Speaker (Mr. Blaker): Order, please. I recognize that the hon. member for the Yukon (Mr. Nielsen) may wish to engage in a debate or raise a point of order, but it would only be fair for me to allow the hon. member for Kamloops-Shuswap (Mr. Riis) to continue his comments before I entertain a point of order.

Mr. Nielsen: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Blaker): If the hon. member is raising a point of order, I have no choice but to recognize him, and I will.

Mr. Nielsen: Mr. Speaker, a member is entitled to rise on a point of order at any time, of which I am sure you are aware, to correct a statement that has been made by an hon. member.

Mr. Deans: No, that is debate. He is not entitled to do that at all.

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

Mr. Nielsen: What the hon. member said is not true.

Mr. Deans: Of course it is.

Mr. Nielsen: And he knows it.

The Acting Speaker (Mr. Blaker): I would ask the hon. member for Hamilton Mountain (Mr. Deans) to permit the Chair to speak.

Mr. Deans: I will be delighted to do so.

The Acting Speaker (Mr. Blaker): The first issue I have to deal with is that if an hon. member rises on a point of order, I must and I will recognize him. The second issue is of a minor nature relating to microphones and lights on members' desks. I see that may be at issue, and I am prepared to deal with that if it is necessary. The third issue is that the hon. member for Yukon apparently has a disagreement with another hon. member. That is not a point of order.

Mr. Nielsen: A correction is.

Mr. Riis: Mr. Speaker, I would not want to mislead the House intentionally. At first the Tories endorsed the concept that it would be a useful idea to travel and to meet the people in the north, both in the Northwest Territories and in the Yukon. However, when the government refused to do that, we wanted to continue the debate to force the government to move in that direction. But the Tories voted with the Liberals to close off that debate. It was at that point that I determined that perhaps the Tories had decided they were not prepared to travel in the north.

Second, I will respond to the question posed by the hon. member concerning the status of the Yukon government and the concern that we would have for frontier development. I am concerned about the insensitivity to people and to the land in the frontier areas. This insensitivity was demonstrated during the gold rushes in the Yukon. It has been demonstrated in any frontier movement anywhere in the world. That does not necessarily have to occur. There are exceptions to that rule. It is that sensitivity that we in this party call for. When it comes to territorial government, we are certainly supportive of it.

Mr. Nielsen: What about provincial status?

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am pleased to rise to speak on third reading of Bill C-48. Some months ago we had second reading. As members of the opposition, we raised quite a number of points upon which we were opposed in principle. We identified these issues, such as the confiscation provisions, the ministerial discretion provisions and those types of provisions enabling a minister and a bureaucracy in Ottawa to direct where a well is to be drilled. They might be good people, but may not have the technical skills or the expertise and, because of some political consideration, may direct a company to drill in spot A rather than in spot B, whereas the well should be drilled based on seismic evidence.

We pointed out that the amount of land given to Petro-Canada under the principle of the bill would be grossly excessive, it being 135 million acres. We raised the issue of the treatment of the Yukoners as a people and the people in the Northwest Territories and their aspirations toward provincial status.

Those of us who live in the west, and particularly those of us who come from Alberta, know of the incredible battles that had to be fought before we achieved ownership of our resources. Indeed, it took us 25 years to achieve that end. Do hon. members opposite realize that it was 1930 when we finally achieved ownership? A Liberal provincial government fought from 1905 to 1921 for this right, but it was unsuccessful and it was turfed out of office by the people. The UFA party in 1924 actually debated a resolution to separate from Canada. That is how deeply westerners felt about the issue. The resolution was defeated, but Alberta was successful within six years after that and achieved ownership of resources. I believe that is why we in this party have a greater sensitivity toward the aspirations of the people in the Yukon and in the Northwest Territories. That matter was raised at second reading as being one we should want to follow up at committee stage, at report stage and at third reading.

Our party has raised the question of self-sufficiency in oil. We dealt with that. As hon. members know, the bill went to committee as is the practice after second reading. I believe some 35 witnesses appeared before the committee. Many changes were proposed by expert witnesses, interested parties and the environmentalists who appeared before the committee. As a result, the government itself proposed over 100 amendments to the bill. That has to tell you something about the initial drafting of the bill, Mr. Speaker. It is somewhat like the constitutional resolution which one would have expected to have been well thought out and drafted. Instead, it required dozens and dozens of amendments by the government side to correct poor draftmanship, poorly thought out ideas and concepts. The same thing occurred with Bill C-48. I believe the government itself made over 100 changes. Our party, the official opposition and the New Democratic Party proposed many changes as well, the vast majority of which were not accepted by the government. We moved on to the report stage which we dealt with recently. We had 57 motions which were dealt with in over 30 votes. Those amendments were not amendments that were put forth for narrow partisan reasons. Many of the amendments were justifiable as a matter of logic and concern, whether it be for the sake of the environment or the definition of a spill or the type of notice we give to the native peoples of the north.

• (2130)

I am really disappointed that the government would not have some mechanism whereby those amendments could be genuinely considered and some of them accepted. The report stage is the time when ordinary Members of Parliament become involved with members on the government side in a process, whether it be in a special caucus on the government side or in full caucus, whereby amendments are genuinely considered by the ordinary members. What happens is that the minister and his bureaucracy become so committed to the bill

they really lose their sense of judgment, of being able to recognize what is reasonable. I think ordinary backbenchers, if they have genuinely studied this issue and are informed, would then say: That is a reasonable amendment, why not accept it? If that were so, it would make the whole process of government at the federal level much more responsive to the genuine needs of this whole large country. I am sure we would all agree that no one person or bureaucracy can get a real grasp of this country and the intricate needs of small regions. I am disappointed the government has not done that, but I hope it will at some point in the future.

Why did the government reject these opposition amendments? Why was there no movement on confiscation, on ministerial discretion, on the amount of land that is covered and on the treatment of Yukoners? I do not know the answer. I believe the government members who come to the House should take more time and give genuine thought to the legislation the cabinet and the bureaucracy put forth. If that does not occur, then this House and our government, with a cabinet and a bureaucracy which are supposed to be responsible to the whole House and its members, are not fulfilling their function, and party loyalty is far too great a concern on the part of members.

Perhaps we should change our rules so that if a government is defeated on a motion to amend a bill, it will not reflect on the question of whether the government has to resign. This should clearly be a free vote and the government should be able to say, "Okay, members, you are not happy with that. We will take it back, work on it again, change it and carry on." It would then be only on major bills, the budget, the throne speech and some major pieces of legislation that a government would have to fall. On these ordinary bills that would not be the case. Hon. members who come from the Arctic and the Yukon really know what will work in the north, so their opinion should clearly be worth more and should be listened to.

We are now at third reading stage, and I want to make it clear that I certainly disagree with the bill and will have no hesitation at all in voting against it. I want to set forth once again the major reasons I am opposed to the Canada oil and gas act, Bill C-48.

First of all, we know the area of land we are dealing with is that vast territory off the west coast of B.C., all the northern territories and the area off the east coast to the extent the federal government has jurisdiction. It encompasses 135 million acres. That amount of land is greater than all the land in the world that Exxon is involved with.

An hon. Member: It is half of Canada.

Mr. Thacker: Is that not amazing? As the hon. member points out, it is half of Canada. That is more land than Exxon is involved with in the entire world. As the hon. member for Calgary Centre (Mr. Andre) points out, if Petro-Canada were to bring on sufficient staff, geologists, engineers and physicists, in the same proportion as Exxon has done, in order to deal with that amount of land it would have to have a building in Calgary one square block and 854 storeys high.

An hon. Member: Don't tell them that, they will build it.

Some hon. Members: Oh, oh!

An hon. Member: And they will populate it, too.

Some hon. Members: Oh, oh!

An hon. Member: And the taxpayer will pay for it.

Mr. Thacker: That shows how patently impossible this is. Therefore, we have to ask how they are going to develop that land. I suppose the answer is that the government is either going to buy out other multinational corporations, about which I will have a few words to say, or it will develop more Crown corporations from scratch to go in and develop that land. This is a great potential for Canadian companies but, unfortunately, as a result of the National Energy Program, the government has virtually forced many of the active and creative Canadian companies out of the country because there is a better deal for them elsewhere.

My second reason is the 25 per cent confiscation provision. That rule applies not only to non-Canadians but to Canadians as well. I suppose if it applied only to non-Canadians, we might say we should try it once and if we get away with it, that is fine. Very likely we would get away with it because the government has systematically built a case against the multinational oil companies, making them appear evil in the minds of the ordinary Canadian citizens. That is a misconception because multinational corporations are as much a part of this world and will be as we are ourselves. We have an incredible number of multinational corporations, including Petro-Canada.

The minister of energy wants Petro-Canada to be all over the world. It is involved in the Norwegian Sea, in the Far East and off Mexico. The Prime Minister (Mr. Trudeau) wants it to be able to go to Tanzania, as he did, so he can say, "We will have our state oil company come in with $250 million." So PetroCan is a multinational corporation.

If we expect to expropriate or confiscate 25 per cent of non-Canadian companies, we should surely expect that same type of conduct to occur in other countries. What kind of example is that for the Canadian government to set for the rest of the world? When they start taking 25 per cent of Petro-Canada's assets in Tanzania, or 25 per cent of the assets in Norway, Switzerland, or wherever they might be, we will not be very happy. There is no way around it, the 25 per cent confiscation rule is just theft, pure and simple.

The rationale used is that the government gave tax deductions, super-depletion and, therefore, that it is justifiable. If that is so, then surely the government could take over all farms because they are very important and farmers have had tax deductions. All of us must surely be slaves because we have personal exemptions, marital exemptions and child exemptions. The rationale is wrong as a matter of principle. Surely we would want to take over children, because they are very important.

The hon. member for Kamloops-Shuswap (Mr. Riis) seemed to indicate that because oil was so strategic, the government had to have state control of it. I suppose nothing is more important than farms, so we better take them over. We cannot entrust children to their ordinary mortal parents, so the NDP would surely want the government to take them over. What about clothing? We could never leave the manufacturing of clothing to ordinary Canadian companies. That is just too important. Man needs to have homes, clothing and food. We would then take over the food. We would have to take over clothing, and then, by God, we would be in dress uniforms, as they are in some countries, because the bureaucracy would find that a common uniform would tend to make us more unified. Then I could not come swinging in from the west in my western suit because that would be embarrassing for some chap here. We would all wear a common red outfit, I presume.

● (2140)

This confiscation is not the Canadian way. It is not something we want to start. It is not something with which we want to inculcate in our children, the idea that the government can take advantage of creative people coming in and investing their money by taking it away from them. It is not a concept we want to promote.

I will now turn to the third major reason why I am opposed to this bill. That reason is simply the incapacity of Crown corporations, such as Petro-Canada, to act as a creative, searching force in the oil and gas industry. The oil and gas industry is far too technical and complicated for a Crown corporation to be involved in. It is not a utility, such as a dam on a river from which you obtain hydro power. That is there all the time. The oil and gas industry needs enthusiastic searchers who have to do complicated exploration and seismic work. It needs specially skilled people to take part in the production of wells and to develop them. Oil is not just sitting there in a pool under the ground; it is locked into the sand and shale. We need people with incredible skills to lift it to the surface and maintain it so the wells are not watering out; people who can get a 60 per cent or 70 per cent return from a pool of oil rather than just 30 per cent.

I am thoroughly convinced that it is impossible for a Crown corporation to achieve that. I am not saying that the people within the Crown corporation are incompetent, but because of our democratic system of government, that system will grind them down. An example of that is the Post Office. There is nothing wrong with the individuals who work there but because of the system of responding to politics, they are incapable of performing their function. Recently we wrote off $800 million to the CNR, and this has occurred every few years in the past. The Atomic Energy of Canada corporation is another Crown corporation for which we just wrote off $600 million to make its books balance so it could be in the black. We wrote off $196 million for the CBC last year. The reason is that a Crown corporation cannot function in particular in the oil and gas industry. People like Masters and Grey who have a concept and an idea, are the real searchers. They would be stifled by the accounting process and responsibility which they would run into in a Crown corporation and they would not last long.

What would happen once a Crown corporation was unionized as this one will be? What would happen if we had a strike and an oil well were shut down? The shut down of an oil well could interfere with the pressures of oil flow versus water, gas or steam, and the well would simply be lost. It could be a total loss and that is exactly what would happen if there were a strike. I have seen it happen in my house where the electricity, which was controlled by a provincial Crown corporation, was shut off because of a strike. The pipes in my house froze, as well as in other people's houses, and when they thawed, they blew up. Apartments had to be vacated. That is what happens when a Crown corporation has too much power. The unionized employees in Petro-Canada stations across the country will have the right under law to go on strike, and they will.

Under our system today where different companies are in competition with each other, they can be played one against the other thus making them unable to force their will on the industry to fulfil its needs.

A classic example of a Crown corporation being unable to respond to the needs in the country was the recent change that took place in the service station industry. We have gone from full service stations to self-serve. That change caused enormous difficulties for individual operators who invested their money, found it uneconomic and then went bankrupt. If those stations were owned by a Crown corporation which reports back to a minister, it would be impossible to make that change in the industry, even though it was an absolutely essential change, because its employees would all be voters who lobby through a minister and the government's reputation would be on the line. We would have to spend millions of dollars to keep those stations operating even though they were uneconomic.

An hon. Member: Like Mirabel.

Mr. Thacker: I suppose Mirabel is the classic example where something like $20,000 a day—

An hon. Member: A million dollars a day.

Mr. Thacker: A member tells me a million dollars flows into Mirabel.

Mr. LeBlanc: Close the airports and privatize them too.

Mr. Thacker: Maybe it is a good idea.

The fourth reason, carrying on this debate—

Mr. LeBlanc: Privatize the highways while you are at it.

Mr. Thacker: The hon. member is starting to work in the right way. It shows that perhaps wisdom can be achieved with advancing years.

Another reason why the government should not be involved is that it is virtually impossible for a government to be both a participant in an industry and a regulator. It is impossible

because it leads to a conflict of interest. As an example, when Petro-Canada bought Pacific Petroleum, it cost $1.5 billion. It did not have the money, so it went to a consortium of Canadian and U.S. banks and borrowed the $1.5 billion. They were able to give a special preference share because of the tax loophole. The deal went through on November 10. They took advantage of this tax share where the banks do not pay any tax on the interest they earned, and on November 17, seven days later, the government closed that loophole for any other Canadian company which might have wanted to take advantage of it.

When we examine that deal we find that a senior deputy minister is on the board of directors of the corporation. That is an automatic conflict of interest, and the Crown corporation took advantage of something which the other corporations could not do. Later we found that a vice president of Petro-Canada wrote the budget which gave Petro-Canada those incredible advantages over those other companies which were operating honestly and decently in the industry.

The final flowering of the practice, Mr. Speaker, has become evident recently when it was found that a minister's assistant is in the active employ of Petro-Canada even though he has never worked for the corporation, and that he is receiving mortgage benefits. It is clear that the conflict of interest becomes almost unbelievable.

I would rather see the government sit back and be the regulator. I do not care how stiff the rules are so long as they are fair for everyone. I have another example for the hon. member for Thunder Bay-Nipigon (Mr. Masters). The example is that of Pemex in Mexico, their national oil company. It does not have the facilities or skill to put out an oil fire. It always has to call in the multinationals because they have the skills and creativity. Red Adair goes all over the world to put out oil well fires. The national oil company of Mexico drills a well, it blows out and we have almost the entire Gulf of Mexico destroyed because of that blowout. It did not have the capacity to figure out how to stop the blowout. It did not have any regulations for it. Why would they have regulations in Mexico? The state oil company is carrying out the operation. The state oil company would not do anything against its national interest. Therefore, Mexico does not have regulations.

We find the same situation in Canada. The regulations which should operate in the industry should be strict and are strict for everyone except Petro-Canada. Petro-Canada receives preference in the the oil leases and, if that does not work, it receives a 25 per cent back-in. That does not work, so we now have the flowering of the policy which is an absolute 25 per cent confiscation. The government is going to make the company work even if it has to take every cent from every Canadian because the government's reputation is on the line. That is what happens when a Crown corporation is in an industry in which it should not be.

I will turn now to the National Energy Program because the Canada oil and gas act is really the flowering of that policy. It is a story that perhaps most members do not understand. It starts back in the 1930s and goes into the early 1970s. There was a conspiracy in the oil industry, and it was a conspiracy not to dupe Canadians or North Americans or Europeans; it was a conspiracy between our governments, the seven international oil sisters, against all of the producers, whether they were in Nigeria or Saudi Arabia. For 50 years we held them down so that oil came into Montreal at $2.35 a barrel. When the father of the Shah of Iran said, "That is not enough, pay us more," we cut him off at the knees. Our governments knew that and participated in it. That was wrong. We treated those people badly, and we are now going to pay for it because when they obtained economic power, they raised the price. But what had happened in the meantime was that we had designed all our infrastructure, whether it had to do with manufacturing or farming, for artificially cheap oil and petroleum. The adjustment becomes very difficult.

• (2150)

But did we face the adjustment? No. In 1973 and 1974 our great Liberal government said, "We are going to protect our Canadian citizens." Hon. members might say that is a good policy, but that sends a signal, and it is now spelling the doom of the automotive industry in North America. Those Canadian men and women who are out of work in Windsor and all along that corridor can relate their unemployment directly to the decision of the Liberal government in 1973 to hold down the price of oil.

Mr. Masters: Come on.

Mr. Thacker: The hon. member should just listen because that decision sent a signal to us as Canadian citizens that we could continue to buy big cars. It sent a signal to the car manufacturers that they could continue to produce big cars. Meanwhile, in Japan and Germany where they had to go to world prices because they had no oil, they turned their skilled people, their engineers, designers and architects, to the task of energy conservation in cars and buildings. As a result, eight years later they are cleaning our clocks in the automotive industry, and it is directly the result of that Liberal policy to keep down the price of oil.

Government can hurt us; there is no doubt about it. The Liberals are masters at promising one thing and doing another, and they have definitely hurt ordinary Canadians. The hon. member for Vancouver-Kingsway (Mr. Waddell) claims to speak for ordinary Canadians. That was the message in his speech tonight. I think he honestly holds that view, but was he really speaking for Yukoners and the people in the Northwest Territories? I have not heard him speak in connection with this bill about their aspiration to provincehood and to control the wealth from their minerals.

Mr. Waddell: That is what I said in my speech, exactly that.

Mr. Thacker: I did not hear that. I will be delighted to read the hon. member's speech, but that surely was not in it. Was he speaking for Canadians' controlling the oil industry? No, he was speaking for government control.

Mr. Deans: Are they not Canadians?

Mr. Thacker: The hon. member for Vancouver-Kinsgway and I have an honest disagreement. He honestly believes that a cabinet, a bureaucracy and a state oil company can make decisions in the best interests of ordinary Canadians whether they live in Tuktoyaktuk or St. John's.

Mr. Deans: While you think that the multinationals in Houston can make a better decision.

Mr. Thacker: Multinational corporations can control the oil industry no more than they can fly to the moon. The provinces decide where they drill. Who decides whether land is available to an oil company? The provinces decide that. Who decides where they drill? The provinces decide. Who decides at what rate oil is produced? The provinces decide. Who decides the price? The federal government decides that. Who decides whether any oil is exported? The federal government decides that. The oil industry is the most controlled industry in the whole nation. We then have to ask under those circumstances what ownership really means.

Mr. Deans: Why, then, are they so eager to hold onto it, pray tell?

Mr. Thacker: Ownership means absolutely nothing under those circumstances. They get a rate of return, and the rate of return has been such that 2 per cent to 3 per cent of the value of their assets leaves this country. That is the cost we pay for that capital. Under the NDP philosophy we would buy them out. It is true that we have spent $6.8 billion to buy an additional 3 per cent or 4 per cent of the oil industry. All that money has left the country. We have had to borrow the money, and the money is costing us 20 per cent. Instead of losing 2 per cent to 3 per cent on a dividend, we are losing 20 per cent on the debt equity. It is absolutely absurd. The hon. member for Kamloops-Shuswap admitted tonight that we are buying an industry which is at the end of its rope. Why are we spending billions of dollars to buy an oil industry which by the year 2010 will be gone?

Mr. Waddell: Will you support us if we take over the solar industry?

Mr. Thacker: Why do we not instead take that money and put it into new wave technology? What did Atlantic Richfield do with the money? What did Pacific Petroleums do with its $1.5 billion, and what did Petrofina do with its $1.5 billion? They are putting it into the new wave, so that when we come to get hydrogen power and solar power, from where will we buy the energy units? We will buy them from the successor of Petrofina, and we will be holding the tail. This makes no sense, as a matter of principle. If we took $1.5 billion and put it into hydrogen research, we could then have Canadian companies leading the next wave of energy. Those are the points I and other hon. members have made right from the beginning of proceedings on this bill. I plead with hon. members opposite to use some common sense, to try to get to the minister and to get these decisions through because there are some good ideas in what we on this side say, whether or not hon. members opposite like it.

I see my time is passing. I would like to say a few words about the monopoly power implicit in Bill C-48. It goes back to the discretionary power the minister has. We know how a minister is always controlled by his bureaucracy. Nobody can dispute that. We now see the government organizing an attack on multinational oil corporations and anything that is big and powerful. The government is organizing an attack on the newspaper industry. It is fascinating that the government should do that because the government itself is the largest monopoly and power in our whole society. The government spends five or six times more on advertising than the other major advertiser in Canada. I think Proctor and Gamble spends $24 million a year on advertising, and the Government of Canada spends about $125 million a year. Do we ever see the government trying to stop its own growth? If it did bring in genuine combines legislation, the government would be stopping itself. How will Petro-Canada handle 132 million acres of Canada? That would make Petro-Canada such a powerful corporation that it would be a world and law unto itself. Why does the government not look at itself and break itself down? Why does its competition law not apply to government rules as well?

This bill will have an effect on the business climate. Its 25 per cent confiscatory dimension has virtually destroyed our reputation in the international field, and there is no doubt that that has occurred and will affect us for many years. We as Canadians cannot afford that because we still have a small population of only 23 million people stretched out over the assets and resources of half a continent. In Canada there is more land per person than anywhere in the entire world. Because of our unique cultural and historic development, most of us are the decendants of immigrants. Most of our ancestors were poor and did not have capital. Canadians got into the habit of putting their money into banks. The banks then invest it by lending to corporations which did business. As a result, we do not have enough incentive or desire within ourselves to get out and take risks. The Americans have this. That is something we could be stimulating. It was occurring in the oil and gas industry until bill C-48 came along. Most of the companies taking over the gas industry, at least in Alberta, were Canadian-owned companies. They were often men and women who had worked for multinationals, saw the chance to get out, went out and incorporated their own companies, hired their own searchers and engineers and became Canadian corporations doing the drilling because again the multinationals do not—

An hon. Member: Call it ten o'clock.

Mr. Thacker: Sir, I had better call it ten o'clock.

The Acting Speaker (Mr. Blaker): I thank the hon. member for calling it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MARINE TRANSPORT—MINISTER'S POSITION RESPECTING CAST SHIPPING GROUP. B) REQUEST FOR GENERAL INQUIRY INTO EAST COAST SHIPPING

Mr. Howard Crosby (Halifax West): Mr. Speaker, the question to which I want to address some remarks this evening was raised in this chamber on June 30, 1981. It involved an inquiry to the Minister of Transport (Mr. Pepin) concerning the relationship of the Canadian National Railways Company with the Cast shipping group. The relationship between CN and Cast and my concern about it goes back in time to January 1981 when I first raised the question with the Minister of Transport.

● (2200)

At that time I was concerned about a very substantial investment by CN in the Cast shipping group in the area of $50 million. It had come to public knowledge that these funds were being used to purchase or construct ships in foreign shipyards, particularly Korea and Yugoslavia. Other funds were being used to purchase equipment abroad. This is a major concern in relation to Canada's shipbuilding industry and Canadian manufacturing in general.

The minister indicated in January 1981 that he thought the CN investment in Cast was a very valuable one for that transportation company and for Canadians. It followed subsequently that the concern in relation to the Cast-CN arrangement became relevant to events in the port of Halifax. In particular, in February 1981 one of the major users of the Halterm container pier in the port of Halifax announced they were leaving the port to utilize the port of Montreal. That company was the Dart Container Line. Their departure from the port of Halifax became a matter of major and serious concern. Subsequently and more recently, in September 1981, another major user of the port of Halifax, Trans-Freight Line indicated it would discontinue its service to the port of Halifax. In part, the reasons for these business decisions was the declining activity in the North Atlantic container traffic. This is a fact of life faced by all international shipping companies.

Let me say at the outset that I firmly believe in the free enterprise system and I firmly believe that international shipping companies have the right in our system to make business decisions in accordance with their own best judgment. What is at stake here in moves like Dart and Trans-Freight Line is the application of government policies, in particular the government policy which permitted the Canadian National Railways Company, our national transportation company, to invest in the Cast shipping group. While it has a Canadian connection, it is basically a foreign-owned company.

We are very much concerned about the role of the Canadian National Railways Company in this activity. We are not about to have the president of the Canadian National Railways Company, Mr. Robert Bandeen, tell us how to handle our affairs. I refer particularly to an article that appeared in the Halifax *Mail-Star* in which Mr. Bandeen indicated that politicians should stop crying and start selling the port. Of course, Mr. Bandeen was protecting himself. In fact, the substantial investment that the Canadian National Railways Company made in Cast is proving to be a very inappropriate investment for our national transportation company. Not only does it have ramifications in relation to other shipping lines, the indications are that the investment will not be productive.

At present the Canadian National Railways Company has a book value investment of some $60 million which will yield a return of approximately 7.5 per cent in respect of some of the funds, and a return of not much more than 12 per cent in respect of other funds. This is at a point in our financial history when government savings bonds yield 19 per cent interest annually. The investment itself is of serious concern to the Canadian taxpayer. More important, Mr. Speaker, and the point I raised in June and previously in January, is that there is need for a general investigation into north Atlantic container traffic, particularly in the light of these involvements between land transport companies like the Canadian National and ocean transport companies like Cast. The relationship that has developed between the Dart shipping group and the Canadian Pacific Railway Company has also given rise to concerns that are now being considered by the Canadian Transport Commission.

● (2205)

The important point I should like to raise now is the fact that the water transport committee of the Canadian Transport Commission has ordered the Canadian National Railways Company to appear before it and show cause why this investment in the Cast shipping group should be allowed. What has the CN done? Has it complied with the request of the CTC? No; it has started an appeal against this decision and asked for a delay so that we will not be able to find out the ramifications of this investment and of the relationship between Cast and CN. The real danger for all Canadians and for Canadian transport is that we will develop into a very limited service between organizations like Cast and the CN, leaving no room for independent operators.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member's question refers to legislation before the U.S. Congress which would restrict the movement of U.S. bound and U.S. originating containers through Canadian ports.

Behind the hon. member's question, of course, is his well known concern for the prosperity of the Port of Halifax. He attributes the recent loss of the Dart shipping group to unfair competition from a rival container line known as Cast. The reason he raises the U.S. legislation is that Cast's aggressive

marketing practices were mentioned during the Congressional hearings.

As far as the legislation itself is concerned, the hon. member knows that Canada sent a note to the U.S. in June, 1980, objecting to the extraterritorial nature of the legislation. Both the state and justice departments in the U.S. were heard before the subcommittee studying the legislation and expressed concerns. Although the legislation narrowly passed the subcommittee, there is no reason to assume that it will become law in the near future.

The hon. member's real concern is evidently the role of Cast and the fact that Canadian National holds an interest, albeit a minor one, in Cast. The hon. member will remember that the gentleman who criticized Cast's practices during the congressional hearings himself represented a U.S. east coast port. Since his port was in direct competition with Canadian ports, his testimony must be seen in the light of the interests he represented.

The hon. member will also remember from answers given in the House by the Minister of Transport (Mr. Pepin), from evidence presented during an opposition day debate last March, and from a number of "late shows," that the Government of Canada has shown itself to be committed to the Port of Halifax. Neither the departure of Dart, nor the recent rumours regarding Zim containers, which appear to be unfounded in any case, can in any way be traced to government actions that are alleged to discriminate against Halifax. There is no need for a special investigation since the matter is currently in the hands of the CTC, which is continuing its investigation.

In conclusion, Mr. Speaker, I want to reiterate this commitment and share the optimism of many of the people in the Halifax port community regarding the future of their port.

METRIC CONVERSION—SUGGESTED PENALTIES FOR FOOD STORE OWNERS

Mr. Bill Domm (Peterborough): On Wednesday, November 4, I rose in the House and asked the Minister of Industry, Trade and Commerce (Mr. Gray) if he would withdraw the order in council which specifically states that as of certain dates in 1982 it is the intention of the Consumer and Corporate Affairs people to confiscate imperial weigh scales, to issue fines as high as $5,000 on summary conviction to people who continue to use imperial weigh scales, and, if all this fails, to use its right through order in council to sentence to jail terms, in other words, to put retail merchants in Canada in prison.

● (2210)

The minister responded by saying that the government had received the co-operation of the private sector on the implementation of metric. That is not the case, Mr. Speaker. It is misrepresenting the facts as they pertain to the implementation of metric in the retail food sector. If the Minister of State for Small Businesses and Tourism (Mr. Lapointe) had been perfectly honest when he answered the question, he would have advised the House that the president of the Canadian Federation of Retail Grocers said that they did not wish to move to metric in the retail grocery stores of Canada prior to the United States moving to metric. We know that the United States Congress has decided not to go metric in the retail food sector for at least ten years and maybe never.

If he had been perfectly honest, the minister would also have advised the House that Loblaws Companies Limited, which represent over 15,000 retail outlets in Canada, including 307 corporate stores and 1,300 affiliate franchise supermarkets, has advised both the Minister of State for Small Businesses and Tourism and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) as follows:

> We feel strongly that cost justification must be shown prior to the implementation of the metric system in the retail food industry.

If the minister were perfectly honest with the people of Canada and this House of Commons, he would have responded that the Working Group on Scales in the food industry, a volunteer group of retail merchants and consumers, had the following to say:

> The retail food industry members of the Working Group wish to recommend strongly to the government that the scheduling of retail food scale conversion to metric units in Canada, which appeared in *The Canada Gazette* Part I of 28 February, 1981, be delayed so that conversion will take place at a time closer to when retail food scales will be converted in the United States.

If the Minister of State for Small Businesses and Tourism and the Minister of Consumer and Corporate Affairs were perfectly honest, they would have reported to the House that Pat Carson, the corporate manager for Loblaws, has stated that it will cost between $2.5 million and $3 million to convert scales in their stores alone. He added that it would be irresponsible not to say that the cost would have to be borne by the consumer, and for that reason they are opposed to metric in the retail food sector.

The minister has not told the whole story about consumers either. The Peterborough *Examiner* of May 11 reported on a survey by retail merchants in the grocery business which showed that if the government goes ahead with the legislation, it will be against the will of the public. Surveys have been taken by Dominion Stores in Peterborough and Sherbrooke where the pilot studies were conducted which indicate overwhelming opposition to metric at this time when the United States is not going metric.

I say, Mr. Speaker, that we are not getting the correct information from the minister in question period. On October 26 *The Wall Street Journal* reported that the United States metric board has been told by the Reagan administration that it is walking its last mile. The United States is going back to using miles on highway signs, to Fahrenheit on the national weather service, and will deal in inches and feet.

I have a letter from the minister responsible for consumer affairs in the British government which states that the British government has abandoned the compulsory element in metrication and is letting the pace of change be voluntary in the remaining sectors of trade and industry and up to the individual firms or industries directly concerned.

I should like to know why the minister continues to mislead this House and to bring in orders in council which will lead to fines, imprisonment and confiscation of equipment under a program which in the beginning was voluntary, at the choice of the sectors as they moved into metric.

Instead, the government has taken it upon itself to force metric on the retail food sector. None of the evidence supports metric for the retail food sector, and I challenge the minister or his representative in the House tonight to name one organization, one business group or one retail outlet that supports metric for fruit, vegetables, meat and fish. As you know, Mr. Speaker, 70 per cent of our trade is with our American partners to the south and they have no intention of going metric in the retail food sector.

Of all the countries that agreed to go metric in 1971, when this House also agreed, not one is left. Britain has abandoned its metric commission, Mr. Reagan has given his commission until March 1, 1982 to fire everyone connected with it. There is no longer to be a metric commission in the United States to implement the metric system by force.

Why do we, representing 7 per cent of the population of North America, march into metric against the will of consumers, against the will of retail grocers, against the will of consumer groups, and, I can assure you, if we were all to be honest, Mr. Speaker, against the will of the majority of members in the House?

• (2215)

Therefore, would the minister please give us some facts? He should not continue to mislead us by saying that 95 per cent of the world is going metric in retail food. That is a lot of nonsense. The fact is that some of the world has gone metric, but not by force, not by regulation, and not by order in council. It has gone forward because it has been to the advantage of some countries to go metric, whether in the automotive industry or whatever. They have not gone metric because some cabinet members behind closed doors have passed an order in council threatening them with jail terms, fines and imprisonment if they do not advertise and use only SI—Systems International—French metric, eliminating all forms of imperial measure here in Canada.

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member for Peterborough (Mr. Domm) has made a number of statements and assertions, most of which are open to question. He has cast doubt on the answer that the Minister of State for Small Businesses and Tourism (Mr. Lapointe) made to his question in the House on November 4. I am not here to represent that minister who is quite capable of answering for himself; but I would like to respond, in particular, to the charges that the hon. member for Peterborough has made concerning Consumer and Corporate Affairs.

I must say that I am puzzled as to what document the hon. member is referring to when he suggests that it is the intention of this government to jail those who do not comply with the regulations governing metric conversion in the retail sale of individually measured foods. I can tell the hon. member that it will be the responsibility of the Department of Consumer and Corporate Affairs to enforce these regulations made under the Weights and Measures Act in exactly the same manner as all other such regulations are enforced.

The hon. member may be interested in knowing that our well established inspection practice involves first, informing non-complying retailers of their obligations under the law, in this case to advertise and sell individually measured foods as required by these regulations. Then, we encourage the retailers to take whatever action is necessary to comply with the regulations. Should a retailer not take action to comply with the regulations, he would be advised in writing that continued non-compliance would result in the initiation of prosecution action.

Should a retailer be prosecuted for non-compliance with these regulations, I might point out that the highest penalty that could be imposed for cases such as these would be a maximum fine of $1000, for each offence—not $5,000, if I understood the hon. member correctly. I might also point out that devices would only be seized in those instances where it would be required in the gathering of evidence for enforcement action.

I would also like to assure the hon. member that we do not anticipate that extensive enforcement action will be required to ensure compliance with these regulations. We have every confidence that retailers of individually measured foods will convert to metric as required commencing January 4, 1982. Surely, the hon. member realizes that Canadian retailers have been, are and will be good corporate citizens who will obey the law.

THE CONSTITUTION—CHARTER PROPOSALS ON LANGUAGE RIGHTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on October 23, of last month, the Ottawa *Citizen* and the Montreal *Gazette* stated on their front pages that the minority language provisions for education found in Section 23 of the constitutional proposals would be weakened to make them compatible with Bill 101 in Quebec. When I read those headlines in the newspapers that morning, I was shocked and upset. I came to the House at two o'clock in the afternoon and put a question to the Minister of Justice (Mr. Chrétien). I asked him whether it was true that the government intended to weaken minority language provisions for education in order to get an agreement with Quebec on the Constitution. The Minister of Justice answered me by stating that he was committed to minority language education for French and English-speaking Canadians on an equal basis throughout the country. He was not clear in stating whether or not the government intended to change Section 23 or weaken it in some way to get an agreement with the other provinces.

• (2220)

Since that date, a lot of water has passed under the proverbial bridge. We now have an accord which was reached last week on November 5 between nine of the premiers and the federal government. While I congratulate them on that agreement, I am disappointed with a few provisions.

It is still not clear what language legislation will apply in Quebec with respect to education. While the nine premiers in the majority English-speaking provinces have agreed to the proposals in Section 23, and I must say that is quite an accomplishment, it is a first in Canadian history to have nine provinces agreeing to such a provision, on the other hand it is still not clear what will apply in Quebec. The government has said it will give some time to the government in Quebec to reconsider the provisions and perhaps negotiate some further settlement with Quebec.

First, I want to make it absolutely clear that in this controversial area I do not see how we can have one provision with respect to minority francophone rights applying in the nine majority anglophone provinces and something different applying in the province of Quebec. I do not think it would be acceptable to have two different provisions on language rights, one applying in Quebec and the other applying in the anglophone provinces.

Second, I do not see how we can retreat or weaken Section 23 to satisfy Quebec and therefore weaken it with respect to all of the other provinces as well when, as I say, for the first time all the anglophone provinces have agreed to such a provision. To backstep at this stage would be ridiculous and unacceptable in my view.

Premier Lévesque, who is my premier, returned from the constitutional conference last week. He has stated, and he stated again this evening in the Quebec National Assembly, that he was betrayed by the other provinces and the federal government. He said that they ganged up on him and that this is just another example of English Canada stepping all over French Canada.

I ask you, Mr. Speaker, and I will go over each point, how can it be said that English Canada is ganging up on French Canada when patriation has been agreed to? That was one of the items included in the accord. To the degree that the Constitution will be removed from Britain and made completely within the control of Canadians is that ganging up on Quebec?

Third, to accept an amending formula proposed by the government of Quebec with the seven other provinces, the so-called "Gang of Eight" even with the minor change, is that to be considered ganging up on Quebec? For the nine provinces and the federal government to agree to a charter with a provision whereby the provinces can override in many basic areas, can that be considered ganging up on Quebec?

Finally, when you have nine English-speaking provinces agreeing to what Mr. Lévesque had proposed himself a couple of years ago, namely, that the other nine provinces agree to French-speaking education for the French-speaking minorities, how can you describe that as ganging up on the province of Quebec when they agreed to French education in those English-speaking provinces? That is beyond me.

I again put it to the government and to the representative of the government who is here tonight that I can see no justification whatever for weakening Section 23, the section relating to minority language rights and education, or for applying something different in Quebec from what will apply in the other provinces. There is no justification for weakening that section or for applying something different in Quebec to what will apply in the other provinces. It was a great step forward for these other provinces to agree to what Mr. Lévesque had proposed. Therefore, if he cannot see that, I am sure the people of Quebec will see it and will readily, once they have examined the proposals of this constitutional accord or agreement, see there is no such thing as ganging up on Quebec, but in fact that it is doing things that Quebec has asked for historically over many years.

• (2225)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I am pleased to respond to the question raised by my hon. colleague. The federal government has always supported, and continues to support, the principle of granting minority language education rights equally throughout this country. This is not the time that we intend to back off from that principle.

We have achieved a historic accord with nine provinces and the federal government, having agreed to patriation, an amending formula and a charter of rights which contains Clause 23 granting minority language education rights across this country.

We were all very disappointed to hear this afternoon and early evening that Premier Lévesque has rejected our offer for further negotiations. He said he will not negotiate, he will intensify his lobby in London and he will henceforth boycott all federal-provincial conferences other than those which deal with Quebec's economy. This is most disappointing, particularly in light of the agreement he came to in terms of granting reciprocal language rights in St. Andrews in 1977.

As my hon. colleague asked in his question, how can it be said that we are ganging up on Quebec when we and the other provinces are prepared to grant reciprocal rights? How can it be said we are ganging up when the federal government announced that in order to try to reach some accommodation with the province of Quebec we would be prepared to enter into discussion on the three points which Mr. Lévesque feels are contentious?

Dealing with the last of those three points, language rights, Mr. Ryan has proposed one type of possible alternative. As you are aware, it has always been our position, and it is contained in the charter, that the federal government and the provinces would allow access to English-speaking schools in Quebec whether or not the parents received their schooling in Canada. Mr. Ryan has proposed an alternative which is called the "Canada Clause". The Canada Clause would allow access

to English schools in Quebec to those children of Canadian citizens who received their primary school instruction in Canada. This is a slight change to what we have been proposing. It would have very limited application. We have indicated, as the hon. Minister of Justice (Mr. Chrétien) has indicated, we would be prepared to consider this if it were to be acceptable to the government of Quebec. We are attempting to achieve an accord with the province of Quebec so that all ten provinces can go with the federal government to London to get our Constitution back.

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

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 10, 1981

The House met at 2 p.m.

• (1405)

[*English*]

REMEMBRANCE DAY

SIGNIFICANCE OF COMMEMORATION

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, it is my privilege as Minister of Veterans Affairs to remind all members and all Canadians that tomorrow, November 11, is Remembrance Day.

Well over half of our present population was born after the end of the Second World War, and, as the echoes of that conflict become fainter, there is always a possibility that, for the younger generations, November 11 will have no special significance. I consider this would be a tragedy because there is an inspirational story rooted in our past.

The day before yesterday I was at Vimy Ridge, where Canadians won everlasting glory. On that occasion one could not help but be reminded of the words of General Byng, the commander of our forces at Vimy, who said:

> There they stood on Vimy Ridge on the ninth day of April, 1917, men from Quebec stood shoulder to shoulder with men from British Columbia and Alberta and there was forged a nation tempered by the fires of sacrifice and hammered on the anvil of high adventure.

Over 600,000 Canadians fought in the First World War. They were so splendid at the Battle of the Somme that British Prime Minister David Lloyd George later wrote:

> The Canadians played a part of such distinction that henceforward they were marked out as storm troops; for the remainder of the war they were brought along to head the assault in one great battle after another. Whenever the Germans found the Canadian corps coming into the line they prepared for the worst.

Next summer we will be commemorating the fortieth anniversary of Dieppe, where Canadians were also asked to serve as storm troops. Those men who landed on the Normandy beaches were in the finest traditions of the Canadian forces, as were our airmen in the Battle of Britain, and our seamen who crewed the perilous convoys of the North Atlantic.

This tradition of service and sacrifice was continued in the Korean war when Canadians volunteered to join the United Nations peace force.

Tomorrow, November 11, we will be remembering those men and women from all those wars who gave up their lives so others could be free, and at the same time we will be recognizing the achievements of former members of our forces.

For the millions of our young people who have known nothing but the privilege of peace, let us hope that Remembrance Day will always be something special. If we take the time to reflect on the example set by our forebears, Canadians can face the future with confidence.

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, they served; we care.

On behalf of the Conservative Party I wish to add our thoughts of remembrance at this time of reflection. So basic was the belief that everyone has a right to the freedoms we now cherish that over 100,000 Canadian men and women gave their very lives to ensure that end. Through the World Wars, the Korean war, and many other battles, hundreds of thousands of Canadians have fought to ensure that these cherished freedoms would never be forfeited. We gratefully remember their sacrifice.

November 11 will mark the passage of another year since the fighting ceased on the western front. Then, as now, mankind prayed that the last war had been waged. Whenever Canadians have been needed, they have served and served with distinction. Many returned maimed and disabled. We hope there will be amendments to the Human Rights Act to bring equality to the handicapped in this International Year of Disabled Persons.

I feel it is our responsibility, as the benefactors of their arduous labours, to remember both the 100,000 war dead and the 770,000 veterans who now live on. They deserve to be treated with respect and compassion. Currently many veterans die before they receive their due benefits from the country for which they have faithfully done battle.

• (1410)

It is an honour to remember our fallen comrades through eulogy, but we should also remember the actions of our living veterans by acting ourselves. The greatest tribute we could give them would be to eliminate by next Remembrance Day any causes of frustration they may now have and, in particular, the excessive time delays in processing pension applications. They served; we remember.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I lived in Great Britain during the Second World War. I remember the Second World War as a boy, the air raid sirens, the nights in the bomb shelters, the enemy aircraft overhead, the terror of the bombs, and I remember the devastation.

I remember when it ended, when men and women returned from the battle front; some walked and some could not, and we thought of those who had died protecting us, and we vowed

S.O. 43

that never again would this occur. With the faces of lost loved ones still fresh in our minds we determined that we would remember them.

We owed a great deal to those whose lifetime would be one of suffering, and we owed a great deal to the widows and families of those who had lost their lives. We were prepared to make sacrifices then to ensure that they would never want. Have we kept the faith? Could we have done better? Have we truly remembered as we promised that we would?

On behalf of Stanley Knowles, whose battle for veterans has been and continues to be unended, and on behalf of my colleagues in the New Democratic Party, I join in paying tribute and pledging that in the year ahead we will strive to meet our debt to those who served our country in World Wars I and II, in Korea, and in the other conflicts as part of our peacekeeping effort, conflicts in which we participated willingly. And I pray we will remain mindful of the need to develop throughout the world an economic order that will eliminate poverty and want for all people, and to that end eliminate the need for war.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, it takes up to five years for the Department of Veterans Affairs to process applications for veterans pensions, a procedure which in the United States takes three months. On this, the eve of Remembrance Day, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House urge the Minister of Veterans Affairs to respond to the needs of veterans with as much speed and good will as those veterans responded to Canada's needs during times of conflict, by streamlining the cumbersome and time-consuming practices of his department.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

INFORMATION

CONFLICT CONCERNING "LE QUOTIDIEN" AND "LE PROGRÈS-DIMANCHE" IN LAC-SAINT-JEAN-SAGUENAY REGION—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas an agreement signed by union and management representatives at *Le Quotidien* and *Le Progrès-Dimanche* will prevent these newspapers from closing, which would have been a disaster as far as information is concerned in the Saguenay-Lac-Saint-Jean area, and since this will meet the recommendations made by the Kent Royal Commission on Newspapers which encourage competition in this field, I move, seconded by the hon. member for Roberval (Mrs. Beauchamp-Niquet):

That the House congratulate those concerned on their efforts to reach a settlement.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

[*English*]

CANADA LABOUR CODE

PROVISIONS RESPECTING OCCUPATIONAL HEALTH AND SAFETY—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, yesterday the Canadian Labour Congress properly pointed out to many members of this House that our country is currently losing more than 70 million working days a year because of work accidents and illnesses. That is fully six times the annual loss due to walk-outs and strikes. In the typical year about 20,000 Canadians are permanently disabled and more than a thousand are killed while on the job. I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House calls on the government to amend Part IV of the Canada Labour Code as quickly as possible in order to deal more effectively with the prevention of workplace accidents and diseases, and to streamline existing procedures under which fully 15 separate federal departments and agencies currently have an involvement in occupational health and safety.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

INDUSTRY

SOLVENCY OF INSURANCE COMPANIES—CALL FOR REFERRAL TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise under the provisions of Standing Order 43. The federal Superintendent of Insurance recently took control of the assets of Pitts Insurance Company. This is the second insurance company which has run into financial difficulty this year, leaving policyholders uncertain about whether they can collect either their claims or, indeed, the money they paid out in premiums. Since protection from financial losses arising from theft, fire or property damage or automobile damage plays such an important part in Canadians' sense of financial security, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That this House refer the question of the solvency of insurance companies to the Standing Committee on Finance, Trade and Economic Affairs to allay fears of Canadian policyholders.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would like to propose a motion under Standing Order 43 which I feel confident will receive the support of the House. The delays encountered by the veterans of Canada in having their claims for benefit processed by the Department of Veterans Affairs are intolerable. There can be no justification accepted for veterans having to wait years while the bureaucracy, which is no doubt overworked, attempts to struggle with its heavy load.

On behalf of my absent colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), and seconded by the hon. member for Oshawa (Mr. Broadbent), I move:

That the Minister of Veterans Affairs immediately take whatever steps are necessary to reduce the waiting period for veterans' claims and to review veterans legislation to ensure that it adequately responds to the needs of today's society in all its ramifications.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

INDUSTRY

CALL FOR PUBLICATION OF STUDY ON DEPOSIT INSURANCE—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, the $20,000 level of deposit insurance coverage provided by the Canada Deposit Insurance Corporation which was fixed in 1968 has been subject to the same inflationary erosion as the Canadian dollar elsewhere. Now its worth is less than 47 cents of the original value fixed. I move, seconded by the hon. member for Erie (Mr. Fretz):

That the study on deposit insurance commissioned by the Minister of State (Finance) in January of this year be now made public and that the appropriate amending legislation be introduced, and introduced now, so that other Canadians do not suffer the same loss of their life savings as those depositors did in the Astra Trust Company.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HAZARDOUS SUBSTANCES

ASSESSMENT OF DAMAGE CAUSED BY UREA FORMALDEHYDE—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the results of the tests conducted by the federal government on urea formaldehyde foam insulation were to be announced some time this month, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That the federal government take up its responsibility in this matter and, as promised by the member for Hochelaga-Maisonneuve (Mr. Joyal), start to assess the damage caused by this product.

Madam Speaker: The House has heard the motion presented by the hon. member. Under the provisions of Standing Order 43 this motion requires unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1420)

[*English*]

INDUSTRY

MANUFACTURE OF DOMESTIC APPLIANCES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, over the past years the number of domestic appliance manufacturers in Canada has seriously decreased and the number and kinds of domestic appliances made in Canada and the Canadian market share have been seriously eroded. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the Minister of Industry, Trade and Commerce immediately report to the House on motions on efforts he is making to ensure that the appliance manufacturing industry in Canada remains viable, and exactly what efforts he has made to prevent the disappearance of Canadian Admiral as a company involved in the manufacture of appliances in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

CALL FOR REMOVAL OF RESIDENCY REQUIREMENT FOR ENTITLEMENT TO PENSIONS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I too rise under the provisions of Standing Order 43. In the words of the hon. member for Winnipeg North Centre (Mr. Knowles), "We must keep at it to battle for substantial boosts in basic pension rates as well as for other improvements for our veterans and their families." In honour of the hon. member for Winnipeg North Centre, that veteran fighter for veterans' causes, as well as the many veterans and their spouses who served Canada or were our allies, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That the federal government take immediate steps to provide full benefits without a residency requirement to all those veterans and prisoners of war who were our allies and now are Canadian citizens, to provide fairer coverage for Dieppe prisoners of war and, at long last, to recognize, with full benefits, the veterans of the Mackenzie-Papineau battalion who fought bravely for freedom in Spain.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE CONSTITUTION

PUBLIC SUPPORT FOR INCLUSION OF CHARTER OF RIGHTS—MOTION UNDER S.O. 43

Mr. Ron Irwin (Sault Ste. Marie): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Yesterday the Canadian Human Rights Commission, headed by Mr. Gordon Fairweather, a distinguished former member of this House, released a poll which indicates that 72 per cent of Canadians support the principle of including a Charter of Rights in the Constitution. I therefore move, seconded by the hon. member for Willowdale (Mr. Peterson):

That this House affirms its desire to pass as expeditiously as possible a constitutional resolution which includes a Charter of Rights.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ROYAL FAMILY

ANNOUNCEMENT RESPECTING FORTHCOMING BIRTH—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That through you, Madam Speaker, this House expresses its loyal congratulations to Her Royal Highness, the Princess of Wales, and to her husband, His Royal Highness, the Prince of Wales, on the announcement regarding an anticipated royal event this coming spring, and at the same time assures the royal couple of our good wishes and continuing loyalty and interest.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR INCLUSION OF PROGRAMS OF ASSISTANCE IN BUDGET—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, because of continued economic mismanagement on the part of the government Canadians are losing their jobs, their homes and, as a result, their faith in the future. To return to the people of this country the knowledge that their past and present efforts are not in vain and that, with proper planning, national and individual aims and aspirations can be achieved, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister instruct the Minister of Finance to include in the upcoming federal budget practical short-term and long-range programs designed both to provide immediate assistance to Canadians losing jobs and homes and to promote sound economic planning so that the mess in which we now find ourselves will not be continued and repeated.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

U.S.S.R.—TRIAL OF ALEXANDER PARITSKY—MOTION UNDER S.O. 43

Hon. John A. Fraser (Vancouver South): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Alexander Paritsky, a Soviet Jew, goes on trial tomorrow in Kharkov in the U.S.S.R., principally because he wished to emigrate from the U.S.S.R. to Israel, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That this House urge the Government of Canada to bring the concerns of the House to the Government of the U.S.S.R. and to ensure that a Canadian observer request to be admitted to the trial.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1425)

VETERANS AFFAIRS

INTEREST INCOME TAX EXEMPTION—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, whereas investors are allowed a $1,000 income tax exemption for interest income, while war veterans receive an interest exemption of only $100 annually before it affects their war veterans allowance, whereas today's high interest rates bring interest returns on even very small investments above the $100 exemption allowed war veterans, and whereas this national disgrace does not even allow the war veteran to save enough money to cover his own funeral expenses or to repay any debts, much less leave any savings to his spouse, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That the government remedy this injustice by immediately raising the $100 exemption on interest income for war veterans allowance purposes to at least $1,000.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

GUIDELINES USED BY OFFICIALS CONTACTING HOME OWNERS ON MORTGAGE RENEWALS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of Public Works responsible for housing. Members of Parliament have been referring specific cases of home owner hardship to the minister's office. Will the minister tell the House what guidelines his officials are using when they contact home owners who are facing mortgage renewals immediately prior to the budget?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I can report to the hon. member for Simcoe North that, since the offer was made in this House, officials from my office and I personally have responded by telephone to approximately 200 cases. We have on occasion been able to secure alternate financing from alternate lenders other than the lender with whom the person calling was dealing. We have been able to obtain deferrals of contracts and contract renewals until after Thursday or Friday of this week. In a lot of situations the people receiving the calls and surveying the increase have, with the persons calling, been able to direct them to take actions themselves, that is, for example, to speak to the ombudsmen that have been directed by some of the banks to deal with these questions on a customer-client basis, rather than continue the intervention of Canada Mortgage.

ADVICE GIVEN BY OFFICIALS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my supplementary is directed to the same minister. One of the individuals in the minister's office talked with an individual in Delta, B.C. whose mortgage matures today, November 10, who was told by the minister's official to hold off signing a mortgage renewal until Friday because there will be help in the budget on Thursday night.

Some hon. Members: Oh, oh!

Mr. Lewis: My question to the minister is this. Is that information or advice being given by the minister's officials on a selective basis?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the answer to that is an unequivocal no. I do not know what will be in the budget on Thursday night.

REQUEST THAT MINISTER MAKE STATEMENT ON MOTIONS

Mr. Doug Lewis (Simcoe North): Madam Speaker, I would remind the minister that in his earlier answer he referred to suggestions as to what should be done Thursday or Friday. There is no way the minister can justify selective secrecy. Every Canadian who is renewing a mortgage is entitled to that advice. Now that the budget secrecy has broken down, will the minister make a statement on motions and clear the air for all Canadians renewing their mortgages?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have already indicated that, as the minister reporting to this House for Canada Mortgage and Housing, I do not know of the contents of the budget affecting housing. I have indicated, and I say unequivocally, that I have specifically instructed my officials to make no reference to the budget or to hold out promise that there will be assistance in that budget.

• (1430)

What I have said is that with the discussions in this House and in this country since interest rates went to 20 per cent, I have given advice to the government, and I have said that it would be prudent for anyone who is facing a very difficult situation to wait and see, indeed, if there is any assistance, or any reference or any discussion in the budget.

REPLIES FOR HOME OWNERS

Mr. Bill Domm (Peterborough): Madam Speaker, it boggles the mind how the minister of housing can refute what he said in his first answer. Would the minister of housing please give this House a straight answer concerning his request. The minister of housing asked me some ten days ago to supply him with a list of names. I brought them into the House of Commons, Madam Speaker, on November 2. I hand delivered them to the minister, and I tabled them in this House.

As of twelve noon today, the minister has not corresponded, nor phoned, nor has any official in his office communicated with any of the 32 people who are losing their homes. How do you get on the preferred list? Does the minister intend to leak out budget information secretly to a privileged few, and stand idly by while thousands of Canadians are losing their homes on the false promise of the minister of housing?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as a matter of practice, each day when I come into this House I ask for an update from officials of my ministry, who have been responding to letters received from members of the House on all sides, to advise me of the letters that have been received and of the action taken. So far as I know, all letters that have been received by my ministry have been acted upon, and letters have gone forward as of twelve o'clock noon today.

QUERY RESPECTING MINISTER'S ACTIONS

Mr. Bill Domm (Peterborough): Obviously the minister of housing does not even know what he says in this House of Commons, let alone what his officials say. On the front page of the Peterborough *Examiner*, there is "Warsaw man faces a mortgage crisis—loses his home." Why has the minister not contacted that man in Warsaw, Ontario, who was one of the 32 names tabled in this House, Madam Speaker, on November 2? I should like to know if the minister will stand idly by while CMHC offers bombs like AHOP, and balloon payments on grants and subsidies that are compounded onto the end? Will the minister be as bad as the banks? Will the minister balloon those payments at 19½ per cent through CMHC while he sits by, does not return the calls and does not correspond with the people? This House deserves an answer.

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): In responding to the hon. member's question, I would be repeating myself in saying that I have been advised by the officials who have handled these cases on an individual basis that all cases have been responded to, and that all members have been acknowledged, and that all people—

Mr. Nielsen: They have not.

Mr. Cosgrove: —who have made enquiries have been contacted by telephone by the people in CMHC who have been handling these calls. If the case to which the hon. member refers has not, then given the specifics I will look into that later this afternoon.

* * *

THE CONSTITUTION

ABORIGINAL RIGHTS—REQUEST THAT PRIME MINISTER COMMUNICATE BY LETTER WITH PROVINCIAL PREMIERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. He knows that all parties in the House of Commons were committed to the entrenchment of aboriginal and treaty rights as expressed in Clause 34 of the original constitutional proposition. Since the Minister of Justice just yesterday reiterated the federal government's commitment to entrenchment, I should like to ask the Prime Minister the following question. As an expression of continuing non-partisan concern with this issue, and in view of the seriousness of it for the native people of Canada, would the Prime Minister agree that it would be an important step for a letter to be sent, signed by the Prime Minister and the leaders of the other opposition parties in the House of Commons, to

each of the premiers in Canada requesting that they commit themselves to Clause 34?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member says that all parties in the House of Commons agree that that should be in. I am not quite certain that has been the case over the past year. I wonder why the hon. member would want me to write that letter only on behalf of the aboriginals and not on behalf of all other Canadians who do not have the equality clause and legality clause entrenched, that are subject to "notwithstanding." Yesterday we heard about women's rights, and I am sure we will hear about the disabled and so on.

I am trying to get the hon. member to understand that there was an accord last Thursday. It left some things out that we did not like left out. It put some things in that the provinces did not want put in. It was a compromise. I think it should be the task of this House, if it wants to act on that accord, not to try to renegotiate that accord after the fact. I do not mind going on record as saying that we would still stand by all the rights that were in the charter as they were when we first put them in.

Mr. Hawkes: They weren't in the first one.

Mr. Trudeau: Some bellyacher over there says it wasn't in. Madam Speaker, we thought we had put them in. The aboriginals must have thought they were in because they want to go back to what was in.

Mr. Clark: They were not in the first one; you know it.

Mr. Trudeau: The hon. Leader of the Opposition wants to say something. Could you recognize him next, Madam Speaker?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: I hope the Leader of the New Democratic Party will take from my answer not that I am unsympathetic to his request but that I find it perilous indeed to try to reopen the accord of last Thursday piecemeal and to try, each of us, to put something back in that was in in the first place and that was taken out as a result of an agreement hammered out with the difficulties he knows about.

POSITION ADOPTED BY PREMIERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I would be prepared at this point not to question the motives of the Prime Minister in this issue if he would be prepared to agree that the comparison he tried to make between women's rights and other rights and aboriginal and treaty rights is a bad comparison, precisely because aboriginal and treaty rights have been dropped completely from the accord that was reached between the federal government and the provinces. That is not the case for other rights to which he alluded.

Since the governments of Ontario, New Brunswick and Saskatchewan are publicly on record in favour of the entrenchment as expressed in Clause 34, does the Prime Minister not think it would be useful, on this important question, simply to write the other premiers to get their views and, if they are opposed to the entrenchment, is it not important for the people of Canada to know which provincial premiers are opposed to that idea?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): The hon. member says that he won't question my motives for the time being, Madam Speaker. Let me say that I won't question his for the time being.

Some hon. Members: Oh, oh!

Mr. Trudeau: I assume the hon. member would like a Canadian constitution with an entrenched charter, though not the best one in the world that we had when some of his members and mine wanted to see this thing proceeded with.

We never knew how many hon. members because I don't think they knew themselves how many, Madam Speaker. It seemed to be a changing date.

The hon. member says that aboriginal rights are in a different category from women's rights. I point out to him that it was his own member from, I believe, New Westminster, who asked the first question about that, and who was indignant because somehow women's rights have been somewhat diminished. I am telling him that if we want to reopen the accord for the natives, then why not reopen it for other things too, and isn't that the surest way of destroying the accord?

He quotes, I believe, three provinces that say they are in favour. Madam Speaker, I think it is on record that we were in favour as well. It is still in the resolution which is before the House, that clause, which if my memory is correct, the Indians were campaigning violently against even in London and throughout Europe. That clause was in there and now they want it back. It was in the government's resolution. If he wants to put another government on record he can put our name. But I do not think he should be asking me who was the author of that particular deletion.

• (1440)

If the hon. member is asking for individual provinces I can tell him that seven provinces, in the night from Wednesday to Thursday, put together a final compromise solution. They put it to us. We were already into the fourth day. We had already lost two premiers; a third was packing his bags.

We had to decide whether we would proceed unilaterally, as the saying goes, to the United Kingdom, with the Charter in all its purity, or whether we would make some compromise to get nine provinces on side. We made the compromise. I thought that it was also the desire of the Leader of the New Democratic Party because, in the days preceding that meeting, he was urging us to have a meeting and to seek a compromise. If he

didn't want some changes, he should not have urged us to seek a compromise.

We negotiated the best compromise we could. Certainly it was considerably better than the compromise put forward on Tuesday where the only entrenched thing was democratic rights and linguistic equality at the federal level. Everything else, including native rights, equality rights, legal rights, mobility rights and linguistic rights, was to be sent off to a commission for two years; that was the proposal on Tuesday. On Thursday I think we got considerably better. But if the hon. member didn't want a compromise, he shouldn't have urged me to seek one.

Some hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER SEEK SUPPORT OF PREMIERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, regrettably we are back to the old polemic style in dealing with this issue. This party wanted some consensus; the Prime Minister is right. But we also recognize that there is a profound distinction to be made in that document between women's and other rights which are still in there in some form, and aboriginal and treaty rights which have been removed completely. There is a distinction I wish the Prime Minister would acknowledge.

What is to be lost in his writing the other premiers to ask them, because it was in a document that he said he received? I happen to know that some of the people who were supporters of that document would include entrenchment. What is to be lost by the Prime Minister writing those premiers a straightforward letter now, or soon, to ask if they would support the re-inclusion of Clause 34?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member said that there was a profound distinction between these rights and the others. I wish he had told me when I asked him before meeting with the premiers, when I said, "Look, Ed, what do you think we should give up; what do you think we should drop?"

Some hon. Members: Oh, oh!

Mr. Trudeau: That is what I asked him. Let him try to remember the answer he gave me. Don't look puzzled, my friend; don't look puzzled.

Mr. Hees: What was it, Pierre?

Mr. Trudeau: We were being urged to seek an agreement, by everybody, including the hon. members' party. We fought for four days to keep our charter as it was. The choice then was, and it is now, of forgetting about the accord of last Thursday and moving unilaterally. If I have the entire support of the hon. member's party, and of the province of Saskatchewan, and of a couple of other provinces, we will revert to that. We will destroy the accord of last Thursday and we will proceed with it, if I can have that.

Some hon. Members: Oh, oh!

Mr. Trudeau: Oh, oh! Now hon. members don't want me to protect women's rights or native rights.

Some hon. Members: Hear, hear!

Some hon. Members: Shame, shame!

* * *

NATIONAL DEFENCE

CANADIAN FORCES BASE CHATHAM, N.B.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is directed to the Minister of National Defence. In light of the minister's remarks in Chatham, New Brunswick, last Saturday, and last night's distressing report on the CBC national news, including the negative and counter-productive statements of the crepe-hanging mayor of the town of Chatham that the base will close, will the minister state whether or not there are plans within his department vis-à-vis CFB Chatham about which we have not been informed?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is very unfortunate sometimes that newscasts do not reflect the whole reality. It is true that I was in Chatham to address its Chamber of Commerce. I told the people of Chatham and of the Miramichi region that they should plan for a change because we were phasing out our 416 squadron of Voodoos, of F-101 fighters.

We know the consequences this will have on the region. However, I told them as well that this was supposed to happen in 1982, and we gave them further leeway of two more years to do it. I think they understood very well. We told them too that we were establishing an interdepartmental committee so that we could see altogether what we could do to alleviate the consequences of these squadrons leaving the Chatham base. I think some people understood very well. I have information to the effect that the Premier of New Brunswick, Mr. Hatfield, called Mr. MacMillan of the Miramichi Region Development Corporation, to tell him that he would give him all the help possible. If Madam Speaker would allow me, I would like to read one sentence of the communication from Mr. Ernest MacMillan as follows:

Thank you for coming to Miramichi to place your department's position regarding CFB Chatham before the public.

Some hon. Members: Order, order!

Mr. Lamontagne: It is very important that everyone in the House understands the way the government is handling a case for which we have much concern.

Some hon. Members: Hear, hear!

Mr. Lamontagne: I thank Madam Speaker for her indulgence. It reads:

We at the Miramichi Region Development Corporation accept your challenge to plan for change . . . We are pleased that you do not plan to abandon CFB

Chatham and are to establish an interdepartmental committee to plan for the future role of CFB Chatham.

The government is concerned with the problems of the people of Chatham, and we will look after them.

* * *

FISHERIES

RECOMMENDATIONS IN INTERIM REPORT OF PEARSE ROYAL COMMISSION

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. As the House knows, Dr. Peter Pearse brought down his interim report on fisheries on the Pacific coast yesterday. The report is extensive and we all hope that it will be very useful. But yesterday Dr. Pearse said that he considered the whole policy framework, including that for administration, inadequate and that it must be changed. He said that the government must develop a policy to allow the fisheries department to carry out its job. It is now admitted that the lack of government policy has made it very difficult for the government to do its job.

Now that there are some interim recommendations, and in view of the fact that none of these interim recommendations or suggestions is easy, as Dr. Pearse pointed out, what can the minister tell us about giving people who will be affected by these recommendations the chance to discuss them, not only with the government but perhaps with an appropriate House standing committee, before the government makes a final decision on whether to implement these recommendations or to modify them in accordance with certain needs that may be expressed?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I welcome the hon. member to his new role. I assure him that my department is fully open to him and any questions he may have to ask.

I welcome the Pearse report. I asked Dr. Pearse to go the whole way in telling the story as he saw it. He did a very thorough job. He was working under considerable time constraints. His recommendations have come to me, as they have to hon. members, and I think they were widely distributed. I recommend the report to the attention of hon. members. I hope that it will be fully discussed.

I only have one difficulty. If we want to make some changes we must do it early enough so that fishermen can adjust for the 1982 fishing season. Certainly I am in favour of full discussion, either through the parliamentary committee system or through the advisory committee on the west coast with which I intend to meet after it has had time to look at the report and is ready to make some general comments.

● (1450)

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Hon. John A. Fraser (Vancouver South): I welcome the minister's desire to have this matter discussed not only with the government but also with the committee. I would ask the minister if he could advise us, perhaps no later than next week, what discussions he has had with the chairman of that committee so that the necessary steps can be made to have the committee consider these preliminary recommendations and possibly call witnesses because, as the minister knows, certainly the United Fishermen and Allied Workers Union has already voiced its very grave concern about some aspects of the recommendations.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I hope that some members of the public, including some fishermen's organizations, do not arrive at hardened positions before they have read the full report and analysed all the recommendations, and frankly, have had a chance to sit down with Dr. Pearse and discuss how he sees certain issues that he has raised in his report. However, I very much favour full discussion and full information which should be foremost at such meetings.

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VIA RAIL

ROLE OF STANDING COMMITTEE ON TRANSPORT

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. Since the minister stonewalled the Senators this morning, just as he has stubbornly ignored hon. members of this House on the VIA Rail question, may I ask the minister, with the candour that he used to show when he really cared for this country, just what is the purpose of having a commons committee on transportation when it cannot meet to review or even discuss a unilateral, arbitrary cabinet order which affects so many Canadians from coast to coast?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not think it is stubbornness; it is the conviction in what one is doing.

Some hon. Members: Oh, oh!

Mr. Pepin: I am willing to live up to the conviction we have that this is the best way to restructure the railway transportation system in Canada.

I was in the committee of the Senate this morning simply because I was invited to go there. I presented the case in the best possible way I could. I am willing to do that for the House of Commons committee on transportation. The reason hon. members have not consented to see me up until now is simply because—and this is their right to claim—they would like to have the right to report to the House of Commons on that subject, and, by so doing, to ask for a third day of debate on the subject. The House leader on my side and I have not been willing to accommodate that desire.

Oral Questions

REQUEST THAT MINISTER APPEAR BEFORE STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, the minister well knows that on October 28 we had a little rhubarb in this House when the chairman of the standing committee had difficulty in standing in his place because of the presence of the government House leader in reference to the unanimous report of the steering committee which stated that this matter should be reviewed, at least before Nov. 15. There was never an attempt from the government side, with those who helped draw up the terms of reference, to provoke a debate in this House as long as we had a chance, in an abbreviated form before the standing committee, to hear this matter. Therefore, there has not been a chance for Members of Parliament, elected to carry on the people's business, to discuss something like a 20 per cent removal of the people's trains. How does the minister rationalize or reconcile that, especially if he thinks his facts are so good? What does he have to fear in coming before the transport committee, even on a shortened schedule?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have learned something that I did not know. If my hon. friend is right, I have just learned that that committee would be willing to listen to my explanation of the program announced on July 27 without making it the subject of a report which could be tabled in the House and would be debatable. That is something new. I have not been informed of that. I do not know if the House leader has been informed. He seems to say that he has not been, either.

The reason I went to the Senate this morning was so I could give all the explanations I have; therefore, it is not fear of explaining the program, obviously, because I have already done it this morning. I am willing to do it again before the committee of the House of Commons if what my hon. friend says is true; unfortunately, I doubt that it is.

MINISTER'S ACTIONS WITH RESPECT TO CUTBACKS

Hon. Don Mazankowski (Vegreville): I have a supplementary question. Last week in the House, Madam Speaker, the Minister of Transport responded to a question posed by the hon. member for Madawaska-Victoria. The hon. member asked the minister if he would consider the maintenance of service between Edmundston and Moncton until such time as alternative service could be provided. The minister indicated that he would take that under advisement, and he implied that something would be done in a positive way.

As well, the hon. member for Timmins-Chapleau has written to the Minister of Transport, indicating that as a result of the cutbacks there will be some very serious problems with regard to mail service. In turn the minister has directed the CTC to issue a modification to the order in council so that those complaints will be looked after. Why is the minister so adamant about forging ahead with the cutbacks on November 15 while making selective exceptions for members of his own party?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the point I have been making all along is that these decisions have been made and they will be implemented on November 15 in most cases, and on September 1, 1982, in the case of commuter-like trains. What I have been saying all along is that the world will not stop breathing on November 15. There will be adjustment and accommodation to those situations. The example that I chose was the Edmunston to Moncton route. I cannot be totally candid on the subject because it is not completely finished. However, what we will see in the coming days is the development of alternative modes of transportation by way of road and air which will make up for the loss of the railway at a cost to the government which will be immensely lower than the government is now paying and would have been paying for years to come had the rail line continued to exist. It is as simple as that.

These changes have been going on in Canada for a number of years. Between 1970 and 1978, 28 per cent of the railway route system was eliminated, and adjustments were made.

My friend does his best, and is doing very well, trying to postpone, postpone, postpone what is with us and what is bound to happen, and to which we must adjust. I wish he would be more of a liberal, having a sense of adjustment which would be in keeping with what happened in the past.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN ATLANTIC PROVINCES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question concerns the Atlantic provinces and is directed to the Minister of Finance. It is clear that the Liberal induced recession in the rest of the country is producing a Liberal induced depression in that part of the country, with bankruptcies up 85 per cent, with 10,000 fewer jobs in October than in September, and with unemployment in Newfoundland, for example, running at 17 per cent.

In light of these really astonishing figures, and the human reality which they portray, I would like to ask the minister whether he is now prepared to tell the House that he and the government regard the problem of unemployment and, in particular, the problem of unemployment in Atlantic Canada, as public enemy number one, along with inflation.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I have no hesitation, Madam Speaker, in declaring that unemployment is, of course, a serious problem. The question my hon. friend will obviously go on to consider is: what is the best economic policy to follow in present circumstances, with very high inflation, to ensure a sustainable economic growth and permanent jobs down the road? I regard a good deal of the unemployment occurring in the country today to be the result of high inflation that we are experiencing in the economy.

Mr. Rae: Madam Speaker, one of the causes of unemployment in Atlantic Canada, apart from high interest rates, which seems to escape the minister's attention is, of course, the closure of the air base at Chatham, New Brunswick, which will cause the loss, according to the town itself, of half the jobs in that town.

IMPLICATIONS OF UNEMPLOYMENT

Mr. Bob Rae (Broadview-Greenwood): My supplementary question to the minister is this: in light of the Olson report, in light of the report of the unemployment task force, and in light of the admission of the Minister of Employment and Immigration that the job situation is worsening, I wonder if the minister cannot confirm for this House that the real implications of the government policy are that the 120,000 unemployed in Atlantic Canada will have to ride the rails in the 1980s just as their ancestors did in the 1930s.

Mr. Nielsen: No rails to ride!

Some hon. Members: What rails?

Mr. Nielsen: Have to ride the twin track!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will have to improve his rhetoric if he intends to get any support in the Atlantic provinces.

* * *

HOUSING

REASONS FOR ADVICE GIVEN TO HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the minister responsible for housing arising out of his contradictory answers to two earlier questions in the House. In answer to the first question he admitted that he or his officials had been in touch with at least 200 home owners across the country and had suggested any decisions people might make regarding their homes "be deferred until after Thursday or Friday", that is, be deferred until after the budget is brought down in the House of Commons. Then the minister got up and told us that he did not know why he was telling them to defer their decisions because he did not know if there was going to be any aid in the budget.

● (1500)

Having told people to defer their decisions, and having admitted in this House that he did not know why he was telling them to defer their decisions, is the minister being so irresponsible as to use the authority of his office to cause people to defer actions on their houses on the off chance that something will happen, or does he in fact know that there is going to be something in the budget? And if there is going to be something in the budget, will he tell the House now what that is?

Some hon. Members: Oh, oh!

Mr. Crosbie: Even Allan doesn't know that.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, if the Right Hon. Leader of the Opposition had had the opportunity, as I did, together with the chairman of the Quebec caucus, on September 15 to listen for an hour to petitions and cases of hardship presented to us by people who are genuinely concerned about the prospects of maintaining their homes and concerning their ability to meet new mortgage payments at new interest rates, I am sure he would have shared with me the observation I made at that time, and that I have made in the weeks since, that any prudent person faced with the real prospect and the real trauma of the loss of his or her home would wait until this government presents its economic plan, its financial plan for next year and for the years to come on Thursday of this week through the Minister of Finance.

QUERY RESPECTING GOVERNMENT'S PLANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, a few moments ago in this House of Commons the minister responsible for housing told us he did not know what was going to be in the budget or if anything was going to be in the budget. That is what he told us. On October 15 in answer to a question posed by the hon. member for Oshawa, in referring to the government he said:

> It has indicated that in the budget it will protect those people.

Will the minister tell the House of Commons what it was he knew on October 15 that he does not know now? What program was the government committed to on October 15 when the minister gave that solemn commitment to the House of Commons that the government is not committed to now?

Mr. Nielsen: Come clean, Paul.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, if my memory serves me correctly, I believe the Right Hon. Leader of the Opposition probably asked the first question of me earlier in this resumed Parliament, a question quite similar to the question that he has just asked again this afternoon. My response then and my response today is that this government's approach to the problems facing Canadians was guided by the commitment of this government in the Speech from the Throne when it took office, specifically, that we would move to assist people who need help the most, and we would do that first.

REQUEST THAT MINISTER MAKE STATEMENT ON MOTIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I regret this wriggling by the minister responsible for housing. As reported in *Hansard* for October 15 at page

11809, referring to the government, the minister said very clearly:

It has indicated that in the budget it will protect those people.

Those are the people who would be losing their homes referred to by the hon. member for Oshawa. The minister said that very clearly. On October 15 he knew there was a program in the budget. Today he does not know if there is a program in the budget.

The minister has been phoning Canadians, some of them, selectively. Not all. Some he chooses and others apparently he does not phone. Some 200 Canadians have been phoned and have been told to wait. Canadians who are concerned about losing their homes—and thousands already have lost their homes as a result of the policies of this government—want to know whether they should be waiting for a program that will be in the budget or whether the minister is simply talking through his hat. The best way for the government to clear this up would be for the minister to stand in his place and make a statement on motions.

Will the minister extend to all of the people of this country that selective service he has extended to the 200 people whom either he or his officials telephoned, and will he stand up on motions today in the House of Commons and tell us what help is intended for Canadians who are in danger of losing their homes, or who may be forced to sell their homes at a loss? Will the minister make that statement today to Canadians who have a right to know where this government stands?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the discouraging thing to me as the minister reporting to this House for Canada Mortgage and Housing is the apparent politicking in which the Right Hon. Leader of the Opposition is engaging today. Since this Parliament resumed in the middle of October, there was the course of action that flowed from my offer through my office to attempt to assist people who are generally fearful of losing their homes. I made that offer in this House, and in my view I followed up on it.

The weekend following that offer, after protestations of calls to the office of the Right Hon. Leader of the Opposition, I had my office contact every office of every hon. member on the other side of the House asking for those cases of the thousands of people professed to be in fear of losing their homes. I think six people responded that day, six people were in their offices who showed concern. We followed that up by telephone calls to constituency offices. I think I may have contacted a further six people. Since that offer, and during the last few weeks, the support for the thousands of people whom the right hon. gentleman refers to has boiled down to some 200 cases. We have attempted to respond to them, and I think we deserve some credit for that.

Some hon. Members: Hear, hear!

PETITIONS FROM HOME OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, perhaps this clarifies the matter. Do I understand the minister to be saying, the minister who has apparently ignored the petitions containing thousands of names laid upon the Table of this House by myself and other members and by other members of the Opposition, that he is reserving his help—and not just his advice, but his help—to the 200 people he has been in touch with, or is there a general program which will be outlined in the budget that will be of help to Canadians who are faced with the prospect of losing their homes or selling them at a loss? Will there be a program, as there was going to be a program on October 15. If there is, will the minister stand in his place on motions today and tell the whole country what that program is, and not limit that advice to selective telephone calls?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am sure the answer will bear out my statement. Regarding the claim just made by the Leader of the Opposition, the claim that I have ignored thousands of people who have petitioned hon. members in this House, I would like to advise the right hon. member that I have personally in the last two weeks signed over 10,000 letters in response to those petitioners.

Mr. Clark: Saying what?

Mr. Cosgrove: I invite the hon. member to get one of them and to read my answer.

Some hon. Members: Hear, hear!

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AIRPORTS

CONTRACT TO OPERATE DUTY FREE STORES AT TORONTO INTERNATIONAL AIRPORT

Mr. Douglas Fisher (Mississauga North): Madam Speaker, my question is for the Minister of Transport. Transport Canada has just awarded the contract to operate duty free stores at Toronto International Airport to a foreign company despite having received six bids from Canadian firms.

Some hon. Members: Shame!

Mr. Fisher: Can the minister tell us why the American firm was selected since his own tender specifications and the briefings of his officials firmly stated, as early as 1979, that no foreign company would be allowed to bid? Can the minister further tell us what plans he has to compensate those six Canadian companies, several of which are in my constituency? They followed our rules, they bid legitimately, and each one of them spent thousands of dollars in the course of losing in this bidding process.

● (1510)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I doubt very much if foreign companies were prevented from bidding in the first place, because a number of them did. What happened was that when this was found, and when

one of the foreign bidders appeared to be the winner, a decision was made to get the case to FIRA.

FIRA and my department developed a regime for duty-free shops. The regime indicates, for example, that the shares should be owned more than 51 per cent by Canadians, that the directors, except one, should be Canadian, that employees should be Canadian, that preference should be given to Canadian goods, etc. A regime was developed which is met by the company which now has the contract. I would like to indicate also that there was a difference of $13 million between the offer of the company that won the bid and the second one in line. My department is not indifferent to that kind of language.

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CANADA LABOUR CODE

FEDERAL STANDARDS TO PROTECT HEALTH AND SAFETY OF WORKERS

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is for the Minister of Labour. Yesterday representatives of the Canadian Labour Congress, when attending a convention discussing health and safety regulations, met with several Members of Parliament asking for more uniform and stronger legislation in the health and safety field. Will the minister advise the House if he is giving consideration to amending the Canada Labour Code to implement these recommendations, and, particularly, if he is considering the establishment of federal minimum standards to protect the health and safety of all Canadian workers?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, submissions have been made to the Government of Canada by interested individuals, by labour organizations, and by employer groups. Those recommendations have been looked into very carefully, and those recommendations that are constructive and positive will find their expression in a proposed measure that hopefully will be introduced in the House in the new year. This government introduced the labour code just a few years ago, and it will be this Liberal government that will continue on the road leading to better protection of the Canadian worker, hopefully with the support of all members in this House.

QUERY RESPECTING ESTABLISHMENT OF HEALTH AND SAFETY COMMISSION

Mr. Derek Blackburn (Brant): Madam Speaker, I have a question for the same minister which is related to the one just asked.

Because there are at least 17 different departments and agencies at the federal level involved in health and safety, creating a bureaucratic nightmare, while workers are killed or are dying as a result of occupational disease, is the minister making provision for the establishment of a federal government health and safety commission to consolidate and control all occupational safety and health programs at the national level and, if so, how much longer must we and the workers under federal jurisdiction in Canada have to wait for this very important decision to be announced?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, without being in the position of giving a very precise answer, the government is fully aware of the present condition and it is most anxious to resolve it in the best possible manner as recommended by a number of groups and, in particular, by the Canadian Labour Congress. As to the ability of proceeding, we would already have been able to proceed had the opposition not taken up so much time with Bill C-48.

INFORMATION ON DANGEROUS SUBSTANCES

Mr. Derek Blackburn (Brant): Madam Speaker, the minister knows that these proposed changes have been in the works for a year and a half so this is not the fault of us on this side of the House.

In view of the fact that Canada is the only industrial nation in the world which does not have national health protection standards for the workplace, is the minister prepared, through legislation and regulation, to identify and control dangerous substances on a national basis, and make all information available to all workers, which is the case in the United States?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, this matter, as well, is of particular concern to the government, and I can give the member assurance that we are looking into it to find satisfactory answers.

* * *

HOUSE OF COMMONS

PRESENTATION OF BUDGET—EARLY ADMITTANCE OF PUBLIC TO GALLERIES

Madam Speaker: I would like to ask permission of the House to allow the public to come into the galleries to be seated on Thursday night when we resume to listen to the budget at eight o'clock so there will be no delay of the budget, since we will have to hear the prayers and then proceed with the budget. If the House agrees we will let the public in a few minutes before eight o'clock. Is that agreed?

Some hon. Members: Agreed.

* * *

PETITION

MR. JELINEK—PLIGHT OF HOME OWNERS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the one hundred and sixteenth Report of the Clerk of Petitions stating that he has examined the petition presented by the hon.

member for Halton (Mr. Jelinek) and finds that it meets the requirements of the Standing Orders as to form.

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PRIVILEGE

MR. McKNIGHT—HOUSEHOLDER PRODUCED BY NEW DEMOCRATIC PARTY MEMBERS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, having given you notice of a question of privilege I wish to bring to your attention and request your guidance on a matter which brings into disrepute the integrity of this House.

My question of privilege arises from a householder printed by the House of Commons on House of Commons stationery and paid for by the taxpayers of Canada. I refer to this householder in my hand which I have no way of identifying. I have no idea of the constituency involved or which member will be using this householder to communicate with his or her constituents. There were several thousands of these in a truck in the basement of the Confederation Building. The only thing I can go by is that on that truck there was the name of the hon. member for Humboldt-Lake Centre (Mr. Althouse), a member of the NDP.

This booklet contains the biographies of members of the NDP from Saskatchewan only, plus a quote from J. S. Woodsworth. I am not sure what he has to do with the present NDP. He was the leader of the CCF.

The cover is headed "Our West". I would draw to your attention page 3, headed "By way of Introduction". In the second paragraph this appears:

—even though some of you don't live in constituencies represented by a New Democrat . . . You are welcome to contact any one of us at anytime—

I feel that this is a misuse of taxpayers' funds to publish something that could better be done by party headquarters, and in most parties it is done that way. This is a political handout.

I would just like to read from a page of *Hansard* where Your Honour made a ruling in reply to a question on which I had asked you to give some guidance. At page 5325 of *Hansard* for December 4, 1980, you are recorded as stating:

There are rules regulating the contents of the householder mailings, but members must take full responsibility for material mailed under their frank and written on official stationery.

Those rules which you referred to and which we in this House, I would hope, would all attempt to follow include the rule under the Allowances and Services Printing Guidelines. In Section 6-5(b) it states in part:

—a political, partisan or party nature—

Anything in that category is unacceptable. I think when you look at this purported householder you will find it is of a political and partisan nature. Also under Section 6-5 (b), referring to unacceptable printing requests, we find:

(iv) election campaign material—

I would suggest this would fall into that class. It includes:

(v) publications normally made available by party headquarters.

I would also like to draw to your attention a document sent to all members regarding household mailings received in my office on October 8, sent on October 7, 1981. On the back page it states in part:

—the purpose of the four householder mailings available at Parliamentary expense is to enable Members to convey information to their constituents—

● (1520)

It says, Madam Speaker, "convey information to their constituents".

When I look at this mailer, Madam Speaker, I do not find which constituency it would go to. I do not see anything different in it that we and all political parties would ordinarily send out from our political headquarters. I do not see anything in it that would make me think it is anything different from a political publication.

The people of Canada support all of us equally in this House in our efforts to communicate with our constituents. Therefore, Madam Speaker, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the matter of the New Democratic Party pamphlet entitled "Our West", printed as a quarterly household mailing by the House of Commons printing office but clearly designed as a party handout of the type normally printed and distributed by the headquarters of a political party, and the disrepute such misuse of publicly-funded facilities is liable to bring to the House of Commons and its members, be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Vegreville): Madam Speaker, I wish to join in echoing the sentiments of my hon. friend from Kindersley-Lloydminster (Mr. McKnight). After examining the so-called householder and looking at the rules clearly established by this House and through the Management and Members' Services Committee, it would seem to me on the surface that the document which my hon. colleague is bringing to the attention of the House is one that constitutes an abuse of the rules. I believe the action that is undertaken by the members of the New Democratic Party is highly improper and it is, indeed, misleading. Because if one looks at pages 18 and 19, one might be led to believe that Saskatchewan has only seven Members of Parliament. I am referring to the seven New Democratic Party Members of Parliament.

I believe that it does constitute a blatant abuse of the rules which have been established by this House and by the committee. This is a service which has been provided to all Members of the House of Commons, as pointed out by the member for Kindersley-Lloydminster, and it is essentially for the purpose of communicating our activities, as members, to our constituents as well as the activities of the House of Commons.

It is generally ruled that anything of a partisan nature is not allowable, and therefore distribution of a document is essentially for the purpose of information rather than for the dissemination of anything which could be construed as politically partisan.

It is rather strange that the New Democratic Party, which is usually the first one to cry wolf when the rules and procedures of the House are being stretched or encroached upon, is the first one to take advantage of the situation and wallow in the public trough. This comes from a group which is sanctimonious; but on the first examination of this document it would seem to me that the actions that are being taken by the members of the NDP clearly constitute something less than honesty and could very well be ruled as being deceitful.

An hon. Member: Shame.

Mr. Mazankowski: In my view, this clearly constitutes an abuse of the privileges of members of this House and it is clearly a case of using public funds for partisan and narrow party purposes.

When I had the privilege of serving as Minister of Transport in this House a couple of years ago, the hon. member for Yorkton-Melville (Mr. Nystrom) was the first one to draw attention to the fact that there was a suggestion that we were infringing upon the rules of the House as a government party in the appointment of members to conduct a study into grain transportation as well as the matter of prairie branch lines.

At that time the hon. member for Winnipeg North Centre (Mr. Knowles) admonished the members in our party, notwithstanding the fact that the precedent had been clearly established by previous governments that it was allowable that members of one party could be assigned to conduct specific tasks. It was done, for example, in the case of the Hon. Charles M. Drury when he was selected as constitutional adviser for the development of the constitution for the Northwest Territories. The hon. member for Cochrane-Superior (Mr. Penner) was assigned a special responsibility by the government for the purpose of assisting the minister in developing the proper framework for negotiations with respect to northern and native land claims.

Notwithstanding that precedent, and notwithstanding the fact that the Speaker at that time ruled that it was not illegal but may be on the verge of being improper, our party acknowledged the admonition of the Speaker and undertook to pay the expenses which were involved as a result of the publication of this document which was commissioned by myself and undertaken by the hon. member for Moose Jaw (Mr. Neil).

Some hon. Members: Hear, hear.

Mr. Mazankowski: I should say as well, to illustrate the fact that the document was intended to do a job that was clearly necessary to carry out public transportation policies, that after the matter had been clarified and the invoice had been paid and settled by the Progressive Conservative Party, the present Minister of Transport (Mr. Pepin) asked if we would release the report to him and he would refund any costs that were involved as a result of the printing. I agreed to that and that has been done. The report is now public.

I think it clearly shows that while there may well have been some question about the methodology, the action taken by our party was sincere and was taken in a manner which was deemed to be necessary—that a clear statement of government policy at that time be undertaken.

I believe when you examine this matter, Madam Speaker, you might want to reflect on the exchange which took place at that time. Now the shoe is on the other foot. You may want to remind the members of the New Democratic Party of some of the rhetoric they espoused in the House of Commons when they took exception to the manner in which our work was being carried out.

I should say that the then hon. member for Nickel Belt, who fortunately or unfortunately is not with us at present, had some very harsh things to say about the process undertaken by us when we were in government. At page 2142 of *Hansard*, for December 7, 1979, he is reported as saying:

> The Conservative Party does not need to eat at the public trough to have a study done with a partisan slant.

I think it is quite obvious that while he may have some opinions about who is eating at the public trough, the then Minister of Transport did not see this as a partisan document. Nevertheless, that is behind us. I simply point that out to you, Madam Speaker.

There is an obligation, indeed a responsibility, on all of us to ensure that fairness and justice not only be done but appear to be done. It is equally important for all of us to accept our responsibility in ensuring that we work toward overcoming the cynicism that does prevail and is associated with Members of Parliament, indeed, the institution.

• (1530)

I humbly submit that the actions of the New Democratic Members of Parliament are such that they are not enhancing the calibre and the credibility of this institution but, in fact, are eroding confidence and adding to cynicism. I suggest that they should do what we did when there was a question of doubt. Rather than the public and the House of Commons paying for this highly partisan document, it should be paid for out of New Democratic coffers.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have listened with interest and, I must confess, with some degree of shock to the statements made by both the hon. member for Kindersley-Lloydminster (Mr. McKnight) and the hon. member for Vegreville (Mr. Mazankowski). I find it interesting that when viewing something which was done by his own party the hon. member for Vegreville could find that it was done with sincerity, integrity and honesty, while attributing to another member from another party that what was done by that member was done without those same three ingredients.

To begin with, I want to suggest that the document which has been placed before Your Honour is not a document which was in any way considered to be a political document. It was considered by the hon. member to be within the jurisdiction of his responsibility to inform people in his province of the role being played by members they elected. It was never intend-

ed—neither is it intended now—to place a slant on any of the roles of any of the other members. Neither did it make reference to that.

I suggest to Your Honour that if you were to undertake a review of the documents sent out under the names of various and many members of this House of Commons under the guise of reports, which we undoubtedly will now begin to do, you would find that there are very few, if any, that do not contain some degree of partisan material. For a member to rise in his place in an attempt to leave the impression that to indicate a degree of partisanship in any of the reports is somehow a departure from the normal practice is, in my judgment, to be quite untruthful.

I want to put to Your Honour something of which I am sure Your Honour is quite aware, that is, that the hon. member for Humboldt-Lake Centre (Mr. Althouse) is as honest a man as there is in this House, that his integrity is without question, and that for some Tory in a sleazy way to try to indicate that this hon. member has done something wrong is appalling.

If the hon. members who have risen honestly believe that there is a need for Your Honour to review the document, we have no objection. If in your judgment Your Honour was to find that there has been some minor deviation from accepted norms we will, of course, accept that judgment. But I am confident that Your Honour will see through what is undoubtedly a partisan attempt by certain Conservative members to discredit the hard work of the hon. member for Humboldt-Lake Centre, and I ask Your Honour to disregard those submissions and to find that there has been no deviation from accepted practice.

Hon. Erik Nielsen (Yukon): Madam Speaker, my intervention will be very brief, but it will touch upon a matter which was not raised by the hon. member who suggested that there is a question of privilege here to be considered—and I speak in support of that submission—nor was it touched upon by the hon. member for Vegreville (Mr. Mazankowski). The hon. member for Hamilton Mountain (Mr. Deans) did not touch on anything.

Mr. Deans: I got to the root of it.

Mr. Nielsen: Once again I want to draw your attention, Madam Speaker, to what I suppose one would call a memo of explanation or a memo of clarification which was sent around by Mr. A. Silverman dated October 7, 1981, part of which has already been quoted by the hon. member who raised this matter. In support of my submission to Your Honour I wish to emphasize the use of the words on page 2 "is to enable members to convey information to their constituents," it is not for the purpose of conveying information to the constituents of other members. Householder mailings are for the purpose of conveying information to a particular member's constituents. That is the narrow stricture placed upon the use of householder mailings. If it were not to be so interpreted, there would be nothing to prevent any member of this House from using his householder privileges to address mailings to the constituents of any other member or members of the House of Commons. I am sure that that was not the intention when the service was originally set up, and I am certain it would not be the wish of members of this House to impose that kind of added cost to the expense of running this place which, in the final analysis, is paid by the taxpayer.

Having laid that groundwork, may I again refer Your Honour to the introductory page in the offensive pamphlet. In the third paragraph at the second line it says "even though some of you don't live in constituencies represented by a New Democrat". It does not say "even though some of you *might* not live in a constituency represented by a New Democrat"; it says specifically "even though some of you don't live in constituencies represented by a New Democrat." There is a clear implication there that this political pamphlet has been mailed throughout the province of Saskatchewan to people who do not live in constituencies represented by New Democratic Party members. There can be no doubt, therefore, I submit, that the hon. member for Kindersley-Lloydminster (Mr. McKnight) has raised a very valid question of privilege.

The additional point I want to make in support of a reference to committee has to do with a matter on which you, Madam Speaker, and I have exchanged some correspondence, namely, the proper use of members' franking privileges. These pamphlets are not distributed—I do not think this particular one is—by New Democratic members and their workers in the province of Saskatchewan, but I could be wrong there.

An hon. Member: You don't know.

Mr. Nielsen: The clear implication is that they have been mailed from this House of Commons under members' franking privileges. That was never intended.

Mr. Deans: How do you know that?

Mr. Nielsen: I do not know that, but I am asking hon. members and you, Madam Speaker, to draw the very clear inference that that conclusion is inescapable in the absence of any explanation, and there has been none, that mailing privileges of members have been abused as well.

The whole matter could be cleared up, as suggested by the hon. member for Vegreville. Although he did not make the direct suggestion, I do. The whole matter could be cleared up if the House leader of the New Democratic Party as a representative of his party would rise in his place and give the assurance that he is prepared to discharge any costs incurred in the printing and distribution of this political pamphlet.

Mr. Kempling: Including the postage.

Mr. Nielsen: Including the postage. In any event, since I do not anticipate that will happen, it seems to me, and it certainly is my strong submission to Your Honour, that there has been a solid case made out that goes beyond the mere requirement that Your Honour reach a conclusion that a prima facie case exists and therefore merits the matter's being sent to committee. There seems to be an inescapable conclusion which leaves

no doubt that there has been an abuse. There has been no explanation forthcoming, and therefore I submit that your finding should be that there is a prima facie case and that the matter should be referred to committee.

Madam Speaker: I think there is one part of this question I can clear up quite readily. Although the mailing of the householders of Members of Parliament is a privilege, I do not believe it falls under the definition of privilege as described in Standing Order 17. I do not feel that this is a question of privilege in the sense that was invoked by the hon. member for Kindersley-Lloydminster (Mr. McKnight). However, it seems it does raise a new aspect of our printing guidelines, which have recently been clarified. Perhaps we will need to clarify them even more after this occurrence.

● (1540)

Since I have been in the chair, the management and members' services committee have asked me to modify somewhat the rules and guidelines concerning householders in the sense that they felt it should not be left in the hands of bureaucrats to evaluate or tell Members of Parliament what they may or may not say to their constituents. I may say I fully agreed with that; it was putting a responsibility on the bureaucrats that did not belong to them.

Obviously if our printing service printed this particular householder, they looked at what they were printing to see whether there was some flagrant misuse of the privilege. Because they printed this one, they obviously felt it did not contravene the guidelines. Since we have removed that responsibility from the bureaucrats, I will not give it back to them. I will look at this householder against the guidelines set by the committee to see whether they need to be further clarified.

Members should keep in mind that what is partisan to one member is sometimes not partisan to another. It would have to be more than an opinion about a certain issue that was expressed in order for me or anyone else in this House to decide that it was partisan. But perhaps we will have to clarify the guidelines.

I have not completely read the householder in question. As I look at it, I see nothing at first glance that would permit me to say that it is a flagrant abuse of the privileges of Members of Parliament. However, I think it would be wise for me to look at it more carefully against the arguments presented to me in the House today, and perhaps, if I find there is reason for doing so, send a request to the members' services committee in general terms so that they will look at the guidelines and see whether there is a possibility of clarifying them in order to avoid this kind of occurrence or misinterpretation of the guidelines.

It is not always easy to interpret the guidelines. That is why we have removed that from the bureaucrats. I certainly do not want to be in the position of having to read all householders and determine as Speaker whether they are in accordance with the guidelines. We feel very strongly, and I think every member will support me in this position, that members themselves should take responsibility for what they write in these householders against the guidelines which they have made for themselves.

Basically the responsibility is with the member. The member bears the onus of having bypassed or gone beyond the guidelines, and that is it. He stands or falls on the fact that he is interpreting the use of his own privileges in a way that is considered to be proper. I will look at this question and take it under advisement.

MR. LEWIS—ALLEGED BREACH BY MINISTER OF BUDGET SECRECY

Mr. Doug Lewis (Simcoe North): Madam Speaker, I gave you notice of a question of privilege which arises out of today's question period. Today the Minister of Public Works (Mr. Cosgrove), who is responsible for housing, admitted in this House that officials of his department had advised some home owners to wait until Thursday or Friday of this week to resolve their difficulties. I submit that this is a clear breach of the traditional secrecy which surrounds budgets. There is a very large difference between Thursday and Friday to every Canadian home owner.

We have posed questions to the Minister of Finance (Mr. MacEachen) in this House. He has quite rightly not answered any questions in the House directly affecting the budget. As a matter of fact, on October 20, 1981, as reported at page 11964 of *Hansard*, the minister stated:

> It is easy enough to ask whether "A" will be in the budget and whether "B" will be in the budget and, by a process of daily questioning, presumably, the budget would be produced by instalments, and then hon. members would be saying, "Well, why have you broken budget secrecy?"

I submit that today the minister responsible for housing admitted to either "A" or "B". If his officials are calling members of the Canadian public, and he has admitted they are, with specific knowledge from the Minister of Finance, that is a breach by the Minister of Finance of budget secrecy. There is a second breach. When the minister responsible for housing directs his officials to make certain comments during phone calls to certain Canadian home owners, that is a breach. The third breach is the actual giving of advice to a Canadian home owner by an official in the minister's office.

Budget leaks are often considered to be something which triggers a large capital gain in the stock market, or something which could be said to be depriving the government of revenue. We are not talking here about a big kill on the stock market. We are talking about the basic right of Canadians to the same knowledge as every other Canadian. It is just as vital to the Canadian who owns a home, has contacted his or her Member of Parliament, has then had their name forwarded to the minister's office and receives a phone call from the minister's official, as it is to every other Canadian home owner. We have here a discrimination against every Canadian home owner who renews a mortgage or buys or sells a home.

We have information which has made us aware of an individual in Delta, B.C. with a mortgage expiring November

10, 1981, this very day, bearing interest at 13¾ per cent. The credit union offered to renew the mortgage at 20¼ per cent. The individual contacted his Member of Parliament, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). The member contacted the minister's office and an official in the minister's office then contacted that individual. When I talked to that individual last night, he told me that he was advised to stall his renewal until Friday because something would happen Thursday night which would help him.

Madam Speaker: Order. Can the hon. member tell us whose privilege he is discussing? Is it his own privilege or that of his constituent? Constituents do not enjoy privileges under our Standing Orders in the sense that members of the House do. If the hon. member wants to help the Chair with regard to a finding in the case, he has to restrict himself to what constitutes privilege. Up until now I have heard nothing in his intervention which leads me to believe there is a question of privilege in this case.

Mr. Lewis: My research on the question of budget secrecy did not spell it out as a matter of the privilege of any one individual member, although I submit in this case we may have that. It is rather a question of the privilege of the House and every member of this House to be entitled to the same information at the same time. First, I submit it is a breach of the privileges of every member of this House. Budget secrecy seems to be handled in a different section in the authorities. Second, it is a breach of the privileges of every member of this House, including the hon. member for Peterborough (Mr. Domm), who talked about an individual in his constituency who did not receive a call. It is a breach of our privileges when the government does not release the same information at the same time.

● (1550)

Both sides of the House represent different ridings in this country. We all have Canadian home owners in trouble. If the minister were to play fair and square with this House and with the people of Canada, he should issue a press release as soon as he knows what is in the budget and direct all of the institutions, whether it be trust companies, banks or credit unions, not to renew mortgages until after the budget. He should then come into this House and make the same point to the Canadian nation and to everybody at the same time.

Some hon. Members: Hear, hear!

Mr. Lewis: This is so that the hon. members of the House get the same information as the officials in the minister's office.

The leading authority on the question of budget secrecy, what is called the Dalton case in Britain, is where the chancellor of the Exchequer casually mentioned to a reporter that tobacco taxes would rise prior to the budget announcement that evening. The reporter was privy to information that the House did not receive. As a result of the uproar, the minister was given the opportunity to resign. I am referring to the notes from the Parliamentary Library that were prepared for the House of Commons by the Standing Committee on Privileges and Elections. The document is entitled "Background Information on Government Secrecy, Financial Measures and Parliamentary Secretaries". I draw your attention, Madam Speaker, to page 2572, it looks like to me—I'll confirm that because I am not really sure what it is.

Budget secrecy, in fact, is considered so confidential that even cabinet colleagues to the Minister of Finance (Mr. MacEachen) are not made aware of the budget proposals until shortly before its presentation in Parliament, and even then they are often provided with only a general outline.

I submit to you, Madam Speaker, that if the minister of housing directed his officials to make telephone calls telling people not to do anything until Friday morning, in effect he is releasing information which is contained in the budget. It is one thing to utter a bland statement in the House that "everybody in the House should wait and see if we address the concerns of Canadians in dire straits"; but it is another thing for an official in the minister's office to phone somebody, based on information he received from a Member of Parliament, and tell that individual to wait until Friday.

If you were to find a breach of the privileges of this House, Madam Speaker, I would propose the following motion:

That the matter of the possession of budget information by members of the ministerial staff of the Minister of Public Works, the communication of budget information by those staff members to individual members of the public with mortgages due, specifically in telling them that mortgage help would be contained in the November 12 budget, and the violation of the necessary constitutional and parliamentary tradition of budget secrecy, be referred to the Standing Committee on Privileges and Elections.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I submit we have not heard anything today that raises a question of privilege. The hon. member used the phrase "that the minister should be fair and square." If we were to be "fair and square" in this House, I think it has to be pointed out that the hon. members of the Liberal Party for the last few weeks have been subjected to a daily barrage from hon. members of the official opposition, in particular where we have heard ministers invited and encouraged to reveal what is in the budget. Today the Right Hon. Leader of the Opposition (Mr. Clark) repeatedly asked if a minister would disclose what would be in the budget. Now we have an hon. member of the opposition complaining about something the minister said that could somehow be interpreted as breaking the rule against disclosing anything that might be in the budget. As a result of this, a question of privilege has arisen. The most blatant, double standard I can conceive of is for hon. members to say "disclose", but then if you were to say anything, they say "shame, shame; terrible, terrible".

I suggest that nothing that the minister has stated, or that his officials have done, that we have been advised of indicates that a breach has occurred. The only thing that seems to have taken place is that people have raised issues with which they are concerned. They have even said, "Well, you have to wait for the answer and see what is in the budget." If some tidbit has been tossed out, what is it? What is the information that

has been provided to these people? We have not heard anything about that. We have simply been advised that they have been told to wait. Everyone has been told to wait.

I submit this is a totally spurious point of privilege, Madam Speaker, and just a waste of the time of this House.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): I shall be brief, Madam Speaker. The point that is at issue here has to do with the nature of the representation that was given, with the declared authority of the minister responsible for housing, by one of his officials to at least two individuals of the selective 200 that were telephoned by representatives of the minister responsible for housing.

In one case, a citizen in Delta, British Columbia, was explicity told that he should hold off until Friday. Obviously, that information was conveyed with knowledge by the official to the citizen that the budget would come down on Thursday. The inference drawn was that if the citizen were to hold off until Friday, which was the information authorized by the minister of housing and conveyed by his official, there would be something brought down in the budget that would be available to him.

A citizen of Halton was explicitly promised by an official authorized to impart such information by the minister of housing that there would be, and I quote, "help in the budget for people like you." It was not a suggestion that one should wait. It was a clear commitment that there would be help in the budget for people like the person in Halton that had a problem with his house.

The minister responsible for housing admitted in this House earlier today that he authorized those telephone calls. There can be no doubt at all about that. He has said that and he has accepted responsibility for it. He lamented that he did not call more people. However, he made it clear that he authorized those telephone calls. The telephone call he authorized in at least one case told a Canadian citizen explicitly that there would be help in the budget.

An hon. Member: How do you know that?

Mr. Clark: That clearly indicated that there was the communication of the nature of a budgetary provision that was not known to the rest of the people of Canada and not known to the House of Commons, but which was conveyed by an official of the minister's office, with the minister's authority.

An hon. Member: Pure inference.

Mr. Clark: That clearly breaches all of the practices in relation to budget secrecy that we have known in this House.

What makes it even more of an affront to hon. members of this House is that, as the hon. member for Don Valley East (Mr. Smith) has just indicated, we have been asking time after time in this House, in light of the grave circumstances that Canadians face in the prospect of losing their homes, that if there were to be provisions in the budget with regard to aid for home owners, the exception be clearly made, as a result of all party agreement, to make an early announcement of such. That request has been denied frequently on the floor of the House. What they have refused to do by agreement, they have now done in breach of all budgetary practices.

We have here two instances. One, we have the selective release of information to particular individuals, in the face of a refusal to make a general statement of the nature of that budgetary provision; and second, on the authority of the minister responsible for housing, we have an official telephoning an individual Canadian whom he knew to be interested—not someone chosen at random, but someone whom he knew would benefit from the information—and conveying to that individual the explicit information that there would be help in the budget for people like that individual. When the minister authorized that call to be made, he authorized a call to be made by an official to a person whom he knew would benefit and would have an interest. I believe that falls clearly within the boundary of what has been described in the past as a breach of the privileges of the House and a breach in relation to budget secrecy.

• (1600)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, I should like to respond very briefly to some of the comments of the Hon. Leader of the Opposition (Mr. Clark) on this matter.

An hon. Member: Right honourable!

Mr. Peterson: The Right Hon. Leader of the Opposition; excuse my breach of decorum. I believe there are only two points which we have to make on this. First, for many months now it has been a declared policy of the government to help people who find themselves in dire straits. My second point is also very simple. Anyone who finds himself in dire straits should, if acting prudently, wait until the budget comes down. That is all I have to say on the point.

Some hon. Members: Oh, oh!

Mr. Bill Domm (Peterborough): Madam Speaker, sometimes when I intervene on a question of privilege my remarks are somewhat lengthy. I will make my comments very brief today. I had hoped to raise my own question of privilege tomorrow as a result of question period today.

In response to what has just been said, I think it was a rather critical, serious statement that people in dire straits should wait until budget time. The hon. member is disagreeing very definitely with the minister responsible for housing, who repeatedly told the House that there was no need to wait for the budget. He told people to contact their Members of Parliament who will bring their messages directly to the minister responsible, not after budget, not at budget time, but immediately. The exact date of the communication from the minister directly to every Conservative Member of Parliament was October 23.

I raise a question of privilege which relates directly to each Member of Parliament, particularly Conservative members because they were the ones who received the memo from the minister asking them to act. In all good faith a number of us had the opportunity to return to our ridings to interview people who were in dire straits. It was not because we wanted to leave the House to return to our constituencies, but because the minister responsible for housing asked us if we would in a memo to our offices on October 23. Being interested in the people in dire straits I, as many other Conservative members, returned to my riding; I spent two days there. If this is not a question of privilege I do not know what is.

I took down 32 specific case histories at the request of the minister. My privilege in serving my constituents is seriously affected by this very issue. After two days I brought the case histories back to the House with all the mortgage information I was requested to obtain. I presented them to Madam Speaker in the form of a petition. At the same time, as recorded in *Hansard* on November 2, I delivered them across the House to the minister responsible because he had specifically requested them.

What has happened since that date is the basis of my question of privilege. My constituents have never heard one word, not a peep, not a telephone call, not a letter, not a communiqué, not a wire, not an indirect message through a mortgage company back to them, as a result of what appears to be the minister wasting the time of Members of Parliament when they could be better serving their constituents.

Madam Speaker: Order, please. If that is what constitutes a question of privilege in the hon. member's mind, I must interrupt him to say that the manner in which a minister responds to a petition or to a request of any kind from a Member of Parliament may constitute a grievance of great importance in the hon. member's mind—and I do not deny that—but certainly it is not a question of privilege.

If the hon. member has a new argument relating to this question I can hear it, but I cannot allow him at this point, because I have heard enough speakers, to debate the question of hon. members not being satisfied that the minister has properly answered petitions, letters or requests or that some have received answers and others have not. This is not a matter which the Chair can determine. It might be a grievance on the part of a member, but that is all it is; it is not a question of privilege.

Mr. Domm: Madam Speaker, It is my understanding that a valid question of privilege is a question as to whether the law of contempt of Parliament has been breached. Therefore, I should like to put to you whether you judge it proper that a motion be put to the House on the matter I should now like to describe.

The minister of the government responsible for CMHC is well documented in *Hansard* and elsewhere as desiring that his fellow members forward information to him. I hasten to add that I am raising this matter with Madam Speaker on behalf of all hon. members of the House who have constituents in this deplorable situation. I now find that the minister's parliamentary staff has informed certain home owners by telephone of information which by every right, rule and precedent of the House should be the exclusive prerogative of the House. I am referring to the information contained in the much-delayed budget which the House can hopefully expect to come down on Thursday.

The reasons for confidentiality of the budget before it is brought down are well known and require little elaboration. It seems to me to be an equally valid point that the effect of the budget must be exerted and felt in a completely uniform manner throughout all sectors of the economy and society. If budget information is being prematurely passed on to certain individuals by the minister, information which Parliament must necessarily be advised of in the first instance by means of the budget speech of the Minister of Finance (Mr. MacEachen), then the law of contempt of Parliament should clearly be cited and my rights as an individual member are surely being circumvented.

In view of there appearing to be sufficient cause to establish a prima facie case of breach of privilege, and in so far as it appears that privilege is sufficiently involved that it should take precedence over House business, I should like to support the motion that this matter be referred for full investigation into whether certain constituents in Canada have been privileged to receive certain information. I know for a fact that not one of the 32 people in the Peterborough area have ever received a telephone call. They were not aware until today that there was to be something in the budget at 8 p.m. this Thursday.

An hon. Member: Madam Speaker, I rise on the same point of order.

Madam Speaker: Order, please. I think I heard a sufficient number of interventions on the particular point. It is quite puzzling to me that most of the facts brought forward in the question of privilege seem to be of a hypothetical nature. The hon. member for Simcoe North (Mr. Lewis) said in his summation that if the minister in fact instructed his officials to say a certain thing to constituents then he would feel, etc. This is hypothetical; no one knows whether the minister did. Even if a minister said a certain thing to a constituent, I do not feel that that in itself represents a question of privilege. I might add that we do not know for a fact whether the constituents reported exactly how the conversation with the official occurred. That too is somewhat hypothetical in the way it is presented to the House. Thus it makes it very difficult for me to say there is anything other than grievances on the part of hon. members who are complaining about the conduct of the minister or of officials of the minister. There is no question of privilege.

• (1610)

The Right Hon. Leader of the Opposition (Mr. Clark) said it is quite clear that the minister authorized the calls. I think the hon. minister has acknowledged in the House that he has

authorized officials of his department to call a number of constituents concerning their difficulties with their mortgages. In this particular matter I do not see any question of privilege either.

At any rate, we do not know if the minister did dictate the answer which the officials gave to those constituents. Even if he had, I think the minister is free to deal with these complaints in the manner which he chooses. Certainly the Chair cannot determine how the minister will deal with them. Unfortunately again, it might constitute a grievance on the part of hon. members on the other side of the House, but it certainly is not a question of privilege.

The other question which is being argued is that there has been a leak of the budgetary measures to come. We do not really know because we do not know what those measures are; but certain sentences pronounced by the minister are interpreted as being a leak or as giving advance knowledge to certain selective persons of what is contained in the budget.

I will not pass judgment on whether it is or is not a leak, or whether the words chosen were wise or cautious. I just want to remind hon. members that the matter of budget secrecy is a convention and is not a matter for the Chair to enforce. It is a convention. It is true that in Great Britain a certain minister resigned because he had—

Mr. Andre: We know what conventions are.

Madam Speaker: —inadvertently given some information to a reporter. He did resign. He felt that he had breached a convention—

Mr. Nielsen: He followed the honourable course.

Madam Speaker: —an important convention, and he did resign. That is a case which has merit in itself, and it has to be studied in the light of the facts that surrounded that particular action. Certainly the Speaker in Great Britain did not ask that minister to resign. That was the conclusion he gave to his own behaviour in those particular circumstances.

Mr. Nielsen: He did the honourable thing.

Madam Speaker: Therefore, I do not feel that in this particular case I can make any kind of pronouncement or judgment on the fact that the secrecy of the budget may have been breached.

I think hon. members probably have many grievances. They have expressed them. I listened to them carefully because I wanted to see whether there was really a matter of privilege in their grievances; but I am afraid that I cannot find it.

As for the arguments about discrimination I have said that the conduct of a minister, the way a minister reacts to complaints, whether he reacts in one manner with one person and differently with another person, is entirely on his own making. It has nothing to do with the kind of discipline that the Chair is at all capable of enforcing.

Mr. Clark: Madam Speaker, as you characteristically do, you have drawn attention to some of the difficulties in the matter which was raised today. I want to speak only on a question of process here.

I am reminded by the expert who is temporarily the Minister of National Health and Welfare (Miss Bégin)—

Miss Bégin: And you were made to apologize one day.

Mr. Clark: —that I am not to comment on the judgment of the Speaker, nor do I intend to, Madam Speaker, as you know.

Miss Bégin: Then sit down.

Mr. Clark: However, Madam Speaker, if I might have the attention of the House, and if the Minister of National Health and Welfare could restrain herself, I would like to refer to some of the points you made which indicate that we may well—

Some hon. Members: No, no!

An hon. Member: Learn the rules.

Mr. Clark: —that may well—

Mr. Nielsen: You learn the rules and take your seat.

Mr. Clark: Madam Speaker, there is a great deal of noise on the other side. I will proceed, now that there is some silence. You had indicated, Madam Speaker, that when we—

An hon. Member: You are all wet!

Mr. Andre: How would you know? Have you looked in the mirror lately?

Mr. Clark: The emigré from the Newfoundland legislature is speaking.

Mr. Nielsen: That's okay, Sir. When you are hunting grizzly bears, you don't go after chipmunks.

Mr. Clark: I am simply celebrating the good fortune of the legislative assembly of Newfoundland.

Mr. Simmons: Cheer up, Joe, it's a lot easier after puberty.

Mr. Clark: Let me return very briefly to the point that is here. First, as Your Honour correctly indicated, we cannot know if in fact there has been a breach of the budget until the budget has been brought down. Consequently, one of the things I want to do in rising now is to indicate that after the budget is brought down and after we have had an opportunity to see whether or not there is in fact aid for people affected by the mortgage situation, we may well want to raise this question again.

Another very real difficulty that Your Honour—

Madam Speaker: Order, please. The right hon. member does not have to give me notice of that kind of thing. After the

budget is brought down, if he feels he has another point that he wants to raise, he may do it. However, I must remind him that the charge has to be very well substantiated, and that is it. I will look at something that is well substantiated. What I did say today was that most of the arguments were of a hypothetical nature, and it is really quite impossible for me to find any foundation to the question of privilege which was raised. I did rule on that question, and unless the hon. member has another point to raise which does not relate to what I just ruled on, I will not be able to hear him.

Mr. Clark: I have two matters to raise which are different and which flow from Your Honour's very careful comments. The first relates to the underlining of the fact, with which certainly all of us in the House agree, that convention clearly establishes that if there has been a breach of budget secrecy, the practice, as established by Mr. Dalton in Great Britain, is that the minister who broke the budget secrecy should resign. That, I think, is worth having on the record.

The other matter I think Your Honour may have suggested inadvertently, and which I would not want to rest on the record of the House, was that despite the authorization of the minister to make calls, if in fact those calls were made, the nature of those calls and any breach of budgetary secrecy which may flow from those calls would be the responsibility of the public servant involved and not that of the minister.

I am sure that was not what Your Honour intended to suggest, but I think that your remarks, on rereading them, may be open to that interpretation. Certainly I wanted to rise at the earliest possible opportunity to again underline the view which has been long held by those of us in this party, that when an official acts on the instruction of a minister, then the minister is responsible, by our system, for the actions of that official, and that that responsibility cannot be passed off to the official.

Madam Speaker: That is obvious. The Chair has no way of knowing who is responsible for what or of determining that. Therefore, this is not a matter that the Chair can determine at all.

* * *

POINT OF ORDER

MRS. MITCHELL—USE OF EXPRESSION "HONOURABLE LADY"

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise on a point of order resulting from yesterday's question period, when the Prime Minister (Mr. Trudeau) once again referred to women members in the House as "honourable lady" and "lady", and made other disparaging remarks, while consistently referring to male members—

Some hon. Members: Oh, oh!

Mrs. Mitchell: —as "honourable members".

An hon. Member: You are not a lady, eh?

Mrs. Mitchell: I am sure I represent the concerns of other hon. members in the House. Some hon. members in the House find this attitude offensive and inequitable.

The *Oxford Dictionary* defines "lady" as "ruling woman; woman to whom man is chivalrously devoted; mistress; woman belonging to the upper class". While the first term, "ruling woman" may refer to Your Honour, I think that the others are probably inappropriate.

Therefore, in light of modern times, and in view of the outdated and sexist overtones of both the terms "honourable lady" or "honourable gentleman", I want to ask Your Honour if you will declare these terms to be obsolete or unparliamentary and require that all members, regardless of sex, be referred to with equal respect as "honourable members".

Some hon. Members: Hear, hear!

Mr. Andre: Let the record show that the Minister of National Health and Welfare (Miss Bégin) approves.

Madam Speaker: I thank the hon. member for Vancouver East (Mrs. Mitchell) for raising this problem. However, I think that she is probably referring to a circumstance in the House when I did rise in order to ask an hon. member not to address, between brackets, a member of the feminine sex as the "lady member". That is quite different from the "honourable lady" or the "honourable gentleman".

In my view, I think the Prime Minister (Mr. Trudeau) did use an acceptable expression when he said the "honourable lady". He did say, "If I can say the honourable gentleman, it follows that I may say the honourable lady".

● (1620)

What I did not accept in the House, and I think the hon. member will recall the circumstances, was a member referring to a member of feminine sex as the lady member. I think that would be offensive because there are no lady members and no men members; they are simply members of this House.

I may add that in other parliaments certain expressions are accepted. For instance, "my hon. friend". If a member is referring to a Member of Parliament who sits on the same side of the House, he is called an hon. friend. If the member sits on the other side of the House, he is called the hon. gentleman. The expression "hon. friend" is limited, I understand, to those who sit on the same side of the House. Those are other practices.

I think we can accept the practice in this House of referring to members of the feminine sex as hon. ladies. That is not offensive, any more than it is offensive to refer to members of the masculine sex as hon. gentlemen.

* * *

METRIC CONVERSION

SUGGESTED PENALTIES FOR FOOD STORE OWNERS

Mr. Bill Domm (Peterborough): Madam Speaker, I have a point of order. I am rising at the earliest opportunity. Yester-

day I reported to this House that the maximum fine for using imperial weigh scales is $5,000 or two years in jail. The Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. McCauley) then rose to advise this House incorrectly that the fine was only $1,000.

Is there any way the parliamentary secretary might correct his statement in *Hansard* to show that the fine in 1982 will be $5,000 or two years in jail for using imperial weigh scales?

Madam Speaker: The Speaker has no way of forcing a member to correct statements made in the House. It would be up to the hon. member himself to make the correction if he feels that he should.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CLARK—EFFECTS OF HIGH INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have the duty to rise and lay upon the Table of the House several petitions. The first one is signed by 227 citizens of the city of St. Catharines. The second is signed by another 83 citizens of the city of St. Catharines. The third is signed by 155 residents of the Niagara area. The nature of each petition is to ask relief from the deliberate high interest rate policy of the Liberal government which is causing people to risk losing their homes. The purpose of the petitions is to seek action by the only agency in the land which can provide general relief, namely the Government of Canada. I submit these petitions in the hope that action will be taken by the Government of Canada.

[*Translation*]

In the same vein, Madam Speaker, I wish to present to the House a petition on behalf of the people of Sainte-Julie and surrounding area in the Province of Quebec. The petitioners—there are 2,862—are asking the government to help home owners and prospective home owners by lowering interest rates and improving conditions for mortgage payments.

[*English*]

MR. NIELSEN—MORATORIUM ON TAXATION OF NORTHERN BENEFITS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have the duty to present two petitions on behalf of my constituents. They are signed by a total of 180 Yukon workers. These petitions indicate to the government that the removal of the moratorium on the taxation of northern benefits would be devastating. The nature of the demand is the continuation of the current moratorium on the taxation of northern benefits to block the tax grab of the government, and for the government to adopt a permanent policy to exempt from taxation all special allowances paid to workers in northern and remote

areas of Canada, including, but not limited to, transportation allowances, housing allowances, meal allowances, northern allowances, special vacation benefits and cash allowances; and for the government to meet with the Canadian national directors of the United Steel Workers of America for the purpose of hearing the said Canadian national directors of the United Steel Workers of America on behalf of the over 10,000 steel workers who live and work in isolated communities.

The petitioners hope that in your examination of their petitions you will find the petitions to be in order, sense the urgency and desperation of their plea and that you might use the discretionary powers vested in your office to allow discussion and referral to a committee at the earliest possible moment.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,480, 2,747, 3,141, 3,158 and 3,182.

[*Text*]

CANADA ASSISTANCE PLAN

Question No. 2,480—**Mr. Herbert:**

Is the latest signed agreement between the government and the province of Ontario under the Canada Assistance Plan available to the public and, if not, for what reason?

Hon. Monique Bégin (Minister of National Health and Welfare): Yes, the latest signed agreement between the Government of Canada and the province of Ontario under the Canada Assistance Plan is available to the public.

HANDBOOK DETAILING INMATE RIGHTS

Question No. 2,747—**Mr. Jelinek:**

Were handbooks detailing inmate rights distributed throughout Canada's security institutions and, if so, what was the (a) total number printed (b) total number distributed and how many were distributed to (i) each province (ii) each institution (iii) institutions or offices other than correctional (c) cost to date and what amount was for (i) research (ii) design and preparation (iii) printing (iv) distribution?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: yes, (a) 25,115, (b) 22,115.

(i) Copies were not sent to the provinces, however each of the five regions of the CSC and its national headquarters had the following number of copies for distribution:

Atlantic	2,100
Quebec	6,700
Ontario	4,000
Prairies	3,400
Pacific	2,800
National headquarters	3,115

(ii)

Atlantic	
Springhill Institution	625
Dorchester Penitentiary	625
Shulie Lake Institution	30
Westmorland Institution	100
Quebec	
Regional Reception Centre	1,000
Archambault Institution	450
Leclerc Institution	500
Cowansville Institution	500
Federal Training Centre	400
Correctional Development Centre	125
Laval Institution	525
Montée St-François	200
Ste. Anne des Plaines	150
La Macaza Institution	175
CCC Pie IX	50
CCC Martineau	35
CCC Benoit XV	30
Ogilvy Centre	15
Ontario	
Prison for Women	150
Regional Reception Centre	285
Regional Psychiatric Centre	100
Collins Bay Institution	415
Frontenac Institution	90
Joyceville Institution	465
Pittsburg Institution	85
Warkworth Institution	455
Millhaven Institution	265
Special Handling Unit	30
Bath Institution	90
Beaver Creek Correctional Camp	80
Prairies	
Saskatchewan Penitentiary	470
Saskatchewan Farm	60
Oskana Centre	12
R.P.C. (Prairies)	41
Stony Mountain Institution	415
Rockwood Institution	52
Osborne Centre	16
Drumheller Institution	340
Drumheller Trailer Annex	27
Edmonton Maximum Institution	155
Bowden Institution	150
Portal—Altadore Centre	33
Grierson Centre	52

Note: The prairies regional headquarters are presently distributing 1,500 additional copies to institutions for new admissions, etc.

Pacific	
Regional Psychiatric Centre	143
Kent Institution	301
Mountain Prison	241
William Head Institution	227
Mission Institution	348
Matsqui Institution	439
CCC Sumas	10
Ferndale Forestry Camp	65
Elbow Lake Forestry Camp	54
CCC Pandora	5
CCC Robson	5
National Parole Board	10
Regional Headquarters (Communications)	10

(iii) As copies were handed out on request to interested parties by regional headquarters, institutions and national headquarters, it is not possible to reply to this part of the question.

(c)

(i)	Research	$ 9,600
(ii)	Design and preparation	30,065
(iii)	Printing	8,098
(iv)	Distribution	413
		$ 48,176

PUBLIC DEBT OF GOVERNMENT

Question No. 3,141—**Mr. Cossitt:**

Since the tabling of the answer to question No. 2,597 on July 3, 1981, were additional retroactive revisions made to the gross and net public debt and, if so, for each year since Confederation, what was the gross and net public debt of the government?

Hon. Pierre Bussières (Minister of State (Finance)): The requested revisions are available in the reply to question No. 2,751 tabled this day.

CANADA SAVINGS BONDS

Question No. 3,158—**Mr. Cossitt:**

1. Does the government withhold the interest owing on Canada Savings Bonds until November 1 of any year if the bond is cashed in after August 31 and before October 31 and, if so, what are all the reasons justifying this action?

2. Is the government considering changing this regulation to allow the interest owing to be paid on the date the bonds are cashed in at any time and, if not, for what reason?

Hon. Pierre Bussières (Minister of State (Finance)): 1. For all regular interest Canada Savings Bonds, and old style fully registered CSBs dated prior to November 1, 1977, which are redeemed between August 31 and October 31 each year, the redemption agent deducts from the face value of the bonds the unearned portion of interest when remitting the redemption proceeds to the investor. This reduction of unearned interest is made due to the fact that the investor on November 1 is paid the interest for the entire year on his bonds by cheque or a direct deposit to his savings account. Each year it is necessary to have a two-month closed book period (September and October) during which time the public debt registers are balanced and the necessary interest payments are prepared on several hundred thousand CSB accounts. Such a closed book period is an essential requirement for any instrument, such as CSBs, which is cashable on demand.

2. The government is not giving consideration to eliminating the closed book period in order to pay investors holding regular interest or fully registered CSBs the full earned interest on their bonds when they are redeemed during September and October. Consideration, however, is being given to ways in which the closed book period may be shortened. This feature of CSBs is described on the back of the bond certificates and

in the information brochures which are made available to all purchasers at the time new issues are on sale.

IMPACT OF INTEREST RATE INCREASES ON BORROWING COST

Question No. 3,182—**Mr. Cossitt:**

What has been the impact of increases in interest rates on the borrowing cost of the government since the October 1980 budget?

Hon. Pierre Bussières (Minister of State (Finance)): The impact of increases in 1980-81 of interest rates on the borrowing cost of the government since the October, 1980 budget is estimated at $358 million. The additional interest cost was partly offset by reductions in borrowing from the levels estimated at the time of the budget. As a result, public debt charges in 1980-81 were $10,687 million, or only $287 million above the October, 1980 budget estimate of $10,400 million.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,751 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 2,751 be deemed to have been made an order for return?

Some hon. Members: Agreed.

Madam Speaker: Agreed and tabled forthwith.

[*Text*]

PUBLIC ACCOUNTS SINCE CONFEDERATION

Question No. 2,751—**Mr. Cossitt:**

For each year since Confederation, on a public accounts basis, what was the (a) spending (b) revenue (c) surplus or deficit of the government?

Return tabled.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Monday, November 9, consideration of the motion of Mr. Bussières that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the third time and do pass.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have been looking forward to speaking on third reading for some time. We have spent much time on this bill. Some of that time was usefully employed, although major changes were not made and the bill has in many ways been tidied up.

Before I get into a discussion of the principles of this bill, principles that we still find objectionable, I would like to correct the record, so to speak. In the presentation made last night by the hon. member for Kamloops-Shuswap (Mr. Riis), he said that when the matter was before the committee the suggestion was made that the committee travel to those provinces and the northern territories most affected by the bill. He said that move had been objected to by members of this party.

That is not correct and he knows that full well. I believe he would appreciate the record being straightened out. The hon. member for Kamloops-Shuswap is not so badly imbued with the rhetoric of his party that he is beyond redemption, like some other members, for instance the hon. member for Vancouver-Kingsway (Mr. Waddell), and I am sure he will see the error of his ways.

I have a few words about the process we have been going through for nearly a year concerning this bill. We first might object to the fact that there was no real consultation in the drafting of this bill with the governments and the provinces affected or with the governments of the territories affected. If we look at the history of the development of northern oil and gas legislation, we will see that in past times, for instance when Bill C-20 was before this House some years ago, there was a good deal of consultation with industry, with other governments at other levels and with people who would be affected generally. This was not the case when Bill C-48 was introduced. The government decided unilaterally what it wanted to do and it did not want to be dissuaded from any of its erroneous ideas by getting advice of other affected persons at the beginning.

I cannot fault the government on the time it has allowed for debate on this bill. In fact, the government has been more generous than usual. I rather suspect that is because the government has nothing else it would like to put before Parliament at this time and is just using this bill as a filler until the government eventually brings in its budget, and the Constitution, if it ever gets around to that.

• (1630)

Although we cannot fault the government on the amount of time allowed, we certainly can fault it for the fact that it has not been able to see fit to change its ideas in the least. I have the impression that what we have been doing for many months now is just beating our heads against a brick wall, because it has not budged one little bit.

The principles contained in the bill are exactly the same ones in the bill one year ago. It would be my supposition that the spirit of Parliament has been violated. Usually when new legislation comes before this House there is a process of give and take and compromise, but in this instance with Bill C-48 that parliamentary spirit of compromise has just not worked.

Bill C-48 is one of the most radical proposals brought before this House for many years. It is radical in many ways, but the government, egged on by its colleagues in the NDP, has imposed a very socialist framework on probably what in years to come will be the most important segment of the Canadian oil and gas industry. The government has certainly made no bones about the fact that this is the direction in which it wishes to proceed, the direction of state control over oil and gas in northern Canada and in those offshore areas in the maritime provinces.

We look at the objectionable principles contained in the bill and see that in regard to every piece of land on which oil and gas exploration and production will take place it is the government's desire to have government participation. There is not only the question of having a federal Crown corporation acting in normal competition with the private sector; what the government wants is government involvement in every little parcel of land. It does not want anyone to be free of having the state as a partner.

We see contained in the bill the concept of retroactive expropriation. Governments at the municipal, provincial and federal levels must have the power of expropriation. There are times, unfortunately, when this power has to be used. The example that most often comes to mind is the construction of the St. Lawrence Seaway. Lands owned by individuals along the route of the seaway, because of national overriding interests, had to be taken away from those owners. In that circumstance proper compensation was generally paid.

What will be done through this bill is expropriation of something that has already been granted and is not needed because of an overriding national concern. There is no great need for the government to rush in and take away 25 per cent of the land holdings of companies. If the government wanted, it could apply this principle of a Crown reserve to new dispositions of oil and gas rights. But to go in and retroactively expropriate that which has been previously given to someone, without even proper compensation, is surely something we in this House as Canadians should not accept. If expropriation is to take place, surely one of the principles that we should hold dear is that proper compensation be given. We supported this principle in various motions put before the House at report stage. That is not to be the case with Bill C-48.

The government or the state will take over 25 per cent of an undertaking and then repay part of the moneys previously spent on exploration and development out of future production. What kind of a deal is that, I ask, Mr. Speaker? I submit that if we proceed with legislation like this citizens and corporations which operate in Canada will never again be able to take the government of the day at its word.

Years ago there were generous provisions for the disposition of oil and gas rights because that was deemed by the government of the day to be necessary. The government had to give people a fairly easy deal to get them into the country to spend the money and the time. A few years later when exploration results are reasonably successful, in comes the same government and says: "We have changed the rules of the game now. Sure, we said that to suck you in and get you to spend your money, but now that you have been successful and have found something worth having, we are going to take that away from you." What could be more improper?

Another principle of this bill relates to the way in which dispositions are to be made—the company to government deals that will have to be made. Previously, and as far as I know this has occurred in most provincial jurisdictions to date, oil and gas rights were disposed of in one of two ways, either on a first come, first served basis, or by public tender.

In the old days in the Northwest Territories, if you wanted to acquire an oil and gas lease you went in and physically marked out the boundaries of the area you wanted by blazing trees and putting in corner posts, very much in the same way as you would stake out a mineral claim. If you were the first person to go into an area and do that, you acquired title to that particular lease.

A little later on it was deemed unnecessary to go in and physically mark out the area. The country was divided into a series of areas or units along lines of latitude and longitude. The first person or corporation applying for one of these areas, providing the necessary fee was paid and an undertaking was given to do the necessary work, would receive the rights to that piece of land, on a first come, first served basis.

Another way of disposing of oil and gas rights is by public tender. If the owner of the oil and gas rights, the government, decides to dispose of a particular parcel of land, it is put up for disposal and every party is able to tender, either in terms of an amount of cash payable to the government or on a work commitment—the amount of work the interested party will do on that piece of land—and the one who makes the best offer publicly is the one to whom the oil and gas rights are given.

In the bill before us those two fair and equitable systems have been thrown out. If someone wants oil and gas rights, they have to see the minister or someone who works for him. They have to work out their own deal and it does not go to the person who gets there first. It does not necessarily go to the person who offers the best deal, nor is it publicly determined. It goes to the one who is the smoothest talker, perhaps. It may go to the one for whom the minister wants to do a special favour. I suggest there are many dangers involved—patronage and all the other things we associate with the banana republics. That is what will occur with this type of legislation.

• (1640)

Mr. Cullen: Nonsense.

Mr. Nickerson: If we examine the nature of the dispositions to be made, we find that the time-honoured Canadian concept of the oil and gas lease is no longer there. The nature of ownership will be something much less than fee-simple ownership or lease-type ownership at the exploration stage. In the past a company had an exploration permit in the north. Under this legislation it will have to enter into some form of exploration agreement, as the government calls it. Such an agreement will not give any title at all to that oil and gas or to the land.

An agreement under this legislation will only allow a company to do a limited amount of work on a specified piece of land. The exclusivity and degree of title is no longer there.

Even if this argument were valid in the case of exploration, in my opinion this approach should not be adopted when it comes to production. Instead of the 21-year lease or the 10-year lease for the purpose of production, such as was given out in the provinces of Alberta, Saskatchewan, British Columbia and other places, the highest form of tenure available under the measure before us will be the so-called production licence. This licence is something similar to a driver's licence or a licence to brew home made beer. It will not give title to the land or the oil and gas thereunder.

We have seen in Bill C-48 a concept of preventing people from having proper tenure to a holding. The intent of the bill is to have explorers and producers of oil and gas act as some form of contractor for the government. In a country such as ours where property rights have always been dear to us, I think this is a step in the wrong direction. However, it is a step we see taking place because of the action of members on the other side and to my left. We are seeing the erosion of property rights, whether it be the right to the lot on which we have our house or the right to own oil and gas somewhere in this country. That is why property rights were taken out of the proposed Constitution. We on this side of the House have stated that property rights must be incorporated in the Constitution and should be incorporated in legislation such as Bill C-48.

Another principle in the bill is the concept of strict control by the government over every aspect of the oil and gas industry. The ministerial discretion provided for under this bill allows the minister to tell a company where it can explore, how it can explore, with whom it can explore, and if the minister is not satisfied he can say that Petro-Canada will do the exploration on the company's behalf and take over the management of that piece of land. The company will still be obliged to pay Petro-Canada for what is done even though it may not necessarily be what the company wishes. Under the provisions of this bill the minister can tell a company where to drill, how deep, and the manner in which the well is to be drilled. It will dictate all the technical terms under which the drilling is to be carried out. I believe the government has a mandate to ensure that wells are drilled in a safe manner and that oil is produced in accordance with good conservation procedures. But the government should not go beyond that.

Where does private enterprise and initiative fit into this bill? I suggest this measure provides for state control through the back door. This legislation is pretence. We are pretending we still have a free and independent oil and gas industry in Canada, but if hon. members opposite get their way this will not be the case because the industry will be under the control of the government. That is what they are working toward.

The manner in which the government will control profits and cash flow is objectionable to me. Not only does Bill C-48 provide for this, but it is contained in the National Energy Program under the provisions of the petroleum incentives program. The government does not want to conduct the affairs of the Canadian oil and gas industry in the old way, in which people would invest money in oil exploration and if they were lucky enough to find oil and gas in areas accessible to markets they would make a profit. I believe the industry should still be conducted in that way. As profits mount the better it is, since it provides incentive for people to invest further. However, the government does not view it this way. It wants to impose a very high level of taxation on the production of oil and gas.

The so-called progressive incremental royalty system virtually guarantees that a company will not make a greater return on investment in oil and gas than it would on a controlled utility. It maximizes the rate of return on an investment to a minimum. Therefore, the profit incentive will not be there for the investor.

The government wants to take a huge revenue, channel some of it back again through the petroleum incentives program and then decide which company will be eligible for the grant. The government is discarding the traditional way in which we have always proceeded with our business affairs in this country and is replacing it with strict control of the industry. It controls it from the initial investment through to the ultimate profits. That is the basic plan behind Bill C-48.

I believe the real reason why these measures are being put into place was given by the Minister of Energy, Mines and Resources (Mr. Lalonde) in a speech he made recently in Sherbrooke. It is a speech which was reported to this House by the hon. member for Crowfoot (Mr. Malone).

● (1650)

There seems to be the idea that the hinterland of Canada, which is any place outside the Montreal or Toronto areas, exists for the benefit of that central area. I am not really talking about this in geographical terms, but I am trying to picture a big Liberal cesspool some place which is just sucking in moneys from all over the rest of Canada. The idea is that no place outside this central area gets too powerful or has any real say; control is to be exercised by the government here in Ottawa, and those other areas in the country have to be content with being told what to do, what investments are to be made in the areas and what little profits can remain there, and everything else comes back to Ottawa. There is a very centralized and bureaucratic control over certain parts of Canada from which the Liberal government does not draw many of its supporters.

Now I would like to make a few comments about the Canada lands. We have talked about this subject at some length, and there have been many objections from this side of the House about the use of the term "Canada lands." My colleague the hon. member for Halifax West (Mr. Crosby) has spoken on several occasions in this House about the rights of the Atlantic provinces. The hon. member has dwelt at great length on the historical and legal claims those provinces have to the areas off their shores. I think all of us know that this matter will eventually be decided in the courts, and it might be a little premature for the Government of Canada to assume

what the results of those findings at law will be. I suspect that at least some of the views put forward by the Atlantic provinces will be upheld by the Canadian courts.

With respect to the Atlantic provinces, the government at least made an offer to share revenues. I suppose the reason it did this was so that the matter would not be pursued at law. The government at least made an offer to share revenues derived from the exploitation or possible exploitation of oil and gas in those areas with the provinces concerned.

However, the balance of the Canada lands is basically the territorial lands of the Yukon and Northwest Territories. As limited as the government was in its generosity to Atlantic Canada, it is prepared to extend absolutely nothing to the territories. This is an indecent grab from a defenceless people. If the Atlantic provinces did not have the law on their side, I am sure they would be treated in a manner similar to the disgusting manner in which the people of the two northern territories have been treated.

I listened with interest to the Parliamentary Secretary to the President of the Treasury Board (Mr. Kelly) when he spoke about Bill C-48. I am going to cut out his speech and use it during my next election campaign. He gave a very lucid explanation of the view of the Liberal party as to what should happen in the Canadian north. He was very proud of the fact that the policy of the people on his side of the House is to exploit and control the territories. In no way does he ever see responsible government in those territories. In no way does he ever see the attainment of provincial status and the ownership of resources, which is the one thing that binds every other Canadian province together. He was quite frank when he stated that the oil, gas and mineral resources of the north, the agricultural land and everything else should, in perpetuity, belong to the federal government. That is something I would never accept, and I do not think anyone else living in the northern territories of Canada could bring himself to accept it either.

In an earlier presentation to the House with respect to one of the motions we moved, I brought the attention of the House to the fact that if things go the way they possibly might, as bad as the colonial system of government in the north is right now, we might end up with an even worse system. In such a worse system the government of the north would not be conducted by bureaucracy and by government department as it is at present, but would be conducted by Petro-Canada, a commercial Crown corporation—

Mrs. Mitchell: Multinationals, maybe?

Mr. Nickerson: —and that, in my opinion, would be the most detrimental thing that could happen. I make the analogy of the government of Rupert's Land, which was conducted by the Hudson's Bay Company, or the government of what is now known as Indonesia, which was conducted by the Dutch East India Company. That is the type of thing into which we could get ourselves.

The hon. lady to my left asks about multinationals. I have dealt with that before. In the case of Petro-Canada the Crown is there as a regulator and as an operator at the same time and cannot properly undertake its regulatory function. However, in the case of a large multinational oil company the government can exercise its function of a regulator in a proper manner because such corporations are subject to laws of general application. In the case of Petro-Canada, we have already seen that the laws can be changed at will by the government. The government has justified this by saying that Petro-Canada does not have to obey the normal laws of the country because that is the government's chosen instrument; that it is acting in the best interests of the nation; and that therefore we can forget the rights of the people who live in the area concerned, and Petro-Canada can bulldoze right over them.

It is the view of hon. members in my party that the territories should develop economically and constitutionally. In the not too distant future we see the creation of provinces in the north. We see those provinces joining the Canadian confederation. I hope I am around to see that achievement. I hope I am around when the thousands of people who live in the north under the colonial jurisdiction of the Ministry of Indian Affairs and Northern Development eventually join Canada in confederation and are the same as any other citizens of this great country. If that is to happen, the governments of those new provinces must have access to proper revenues with which to conduct government. If the oil, gas and mineral resources are alienated in the way suggested by the Parliamentary Secretary to the President of the Treasury Board, there will never be a proper government in that area.

My colleagues on this side of the House have described how for many years the provinces of Alberta and Saskatchewan had to fight to get access to resources in order to provide all the conveniences and necessities of government in that area, and we look forward to the same thing for the territories. We do not look forward to being tied to federal purse strings but to having sufficient revenues to conduct the affairs of autonomous government. That is not to say that we would not be prepared to share with the rest of Canada. We suggest that the federal authorities there retain reasonable powers of taxation to derive from those areas revenues sufficient for their purposes, but we do not want the resources and revenues of the north used to fill the Liberal cesspool to which I referred earlier.

● (1700)

I referred on previous occasions to the trust nature of ownership of resources in the north. It is the considered opinion of myself and those on this side of the House that the land of the territories is held in trust for the eventual provinces to be established there and for the people who will reside in those areas.

I do not want to pursue the arguments over and over; we have made them on several occasions. However, I would like to quote from an editorial in the *Yukon News* of October 28, 1981 headlined "Yukoners blind to resource robbery". I do not think they are blind to what is going on. The Yukoners I

talked to know full well the intentions of the Liberal government. I quote:

> This existing situation represents a trust . . . we have placed in the hands of the federal government the Yukon's dowry of the future.
>
> In olden times, a threat against a daughter's dowry was inexcusable, the dowry protected at all costs because it was the only way a daughter could make a "good" marriage.
>
> So should Yukoners be standing up to protect their dowry, their assurement of entry into the brotherhood of the provinces.

That is the gist of what we have said on many occasions. If these areas of Canada are to come into confederation and have their rightful role in the future of Canada, they cannot have stripped from them now by way of Bill C-48 those things which will enable them to become full provinces.

The other day the hon. member for Edmonton West (Mr. Lambert) suggested that what the government was doing was grabbing everything it could right now, and then if at some future time it was forced into the position of having to grant provincial status, it would be handing out to the governments of the new provinces at that time a sucked out lemon. That is the way the hon. gentleman put it and I suggest to you the analogy is to be respected.

By way of Bill C-48 and other legislation and policies put forward by this government, I suggest that in the north they are sewing the seeds of bitterness. I hope that it will not be a tearful harvest. If they are not prepared at this time to at least vest within the territories some degree of ownership over their own resources, they should be prepared to enter into a revenue-sharing agreement of the nature proposed for the offshore provinces. There is absolutely no reason why that should not be done.

I suspect there is a propensity on the part of all Members of Parliament, with the possible exception of the cabinet, that something along these lines should be done. Revenue-sharing is quite reasonable and attainable. We can work out some form of compromise on a formula to be used.

Although the government is not prepared to write the provisions of a revenue-sharing agreement within Bill C-48, I urge that it use some other mechanism whereby this can be done and a certain amount of discretionary income can be granted to the northern territories so they do not have to come back time after time, hat in hand, to the federal treasury in Ottawa. When they do that and have their budget carried within the estimates of the Department of Indian Affairs and Northern Development, it puts them continuously under the thumb of that department. There is a situation whereby duly elected members are not able to carry out the wishes of the constituents but rather are obliged to follow financial and other dictates of the Minister of Indian Affairs and Northern Development (Mr. Munro).

I see you signalling to me, Mr. Speaker. According to my estimate, I have 20 minutes left. Is that correct?

The Acting Speaker (Mr. Blaker): It may be. If so, the Chair has been misinformed. When I took the chair, I was advised that the hon. member's remarks might be expected to expire at 5.07. I will verify that now. Is it correct that the hon. member began at 4.27?

Mr. Nickerson: Approximately.

The Acting Speaker (Mr. Blaker): In that case I would make it 5.07 when his remarks would expire. I am sure the House would want to convenience the hon. member in order that he might finish his remarks by granting a couple of extra minutes. Otherwise, he would require unanimous consent to go beyond that time.

Mr. Nickerson: Thank you, Mr. Speaker. To properly conclude my presentation this afternoon would take quite a time. I know the hon. member for Peterborough (Mr. Domm) has a lot of words of wisdom we should listen to. Therefore, I will not give members the benefits of the two or three pages of advice I have here. I do not know how much of that advice would prove useful to hon. members opposite. I am sure they would find it rather interesting. With Your Honour's indulgence, I will just sum up what will be the likely effects of this bill.

There are some minor good points in the bill. At least the industry will know where it stands. There is likely to be a bit more activity on the so-called Canada lands than at present. However, I do not think there will be anywhere near the amount of activity there would have been had the government laid down proper guidelines and legislation which would have encouraged development by investor-owned corporations and the initiative of people in the oil and gas industry. It has slowed down our goal of self-sufficiency. This slowing down process seems to be quite prevalent on the opposite side. You only have to look at the Norman Wells oil field expansion.

We have the utility concept of the oil and gas business in Canada. We have the idea that the oil and gas industry should have its rate of return controlled and that that industry will be controlled, or within that industry the major say will be had by the Crown corporation, Petro-Canada, in conjunction with certain other large organizations. The large, integrated oil companies that the NDP pretend to dislike so much will be the people running and principally engaged in the Canadian oil and gas business. The little guys will be out. Most are just about out now. They cannot put up with this situation.

Canadians in this business are largely having to look offshore. They are looking toward the United States. They have been driven out by actions of the Liberal government, supported by their friends, the NDP. They can get a much better deal in other jurisdictions.

In my opinion, with this bill we are sacrificing self-sufficiency or the rapid attainment thereof, Canadian enterprise, the energy future of Canada and the real future of the Canadian north. This is being done on the altar of left-wing idealism and bureaucratic aggrandizement.

• (1710)

Mr. Bill Domm (Peterborough): I shall make my remarks as brief as I can, Mr. Speaker. In considering the serious conse-

quences of the bill, I should like to start by making five points that I will deal with later in more detail concerning Bill C-48. This is the first time I have had the opportunity to speak on Bill C-48 so I shall try to include as many things as I can in as fast an order as possible.

The major concerns that are seen in Peterborough with regard to Bill C-48 are best described by a public interest research group emanating from Trent University and drawing from the community colleges, secondary schools, the private and public sector of Peterborough, a large municipal, federally-funded group of people, who try to keep themselves attuned to exactly what is going on, if at all possible, here in Ottawa.

I shall now outline their concerns regarding Bill C-48. They are trying to alert the people of Ontario in particular, since they are directly concerned with that area and they are known as the Ontario public interest research group, to the importance of defending native rights in the northern environment. They are gravely concerned that this bill will have a detrimental effect on those two items. They also maintain that this bill makes a mockery of land claim negotiations. I think some of those concerns have been expressed by my colleagues. They are really concerned that it gives the minister immense powers, to use their words, and it confirms the colonial status of the north. They go on further to say that it stops the progress of responsible government. I have no doubt about that at all. It contravenes the charter of rights, whatever that charter will be when it is returned to the House. They are still concerned that it does contravene many things in what was supposed to be our charter of rights. We will have to wait and see what is in it when it returns. With all due sincerity and respect, they have asked that this bill be withdrawn.

Fortunately at third reading, and as probably one of the last persons to speak on the bill, I am a little reticent to admit that it will be withdrawn, but I should like to point out some of the concerns from central Canada and specifically from the Peterborough area.

It is my sincere conviction that this Liberal government is attempting to put into place the means to create what I consider a socialist republic here in Canada. It intends to impose this plan of converting this nation into a socialist republic through its budget, in concert with its national energy policy and its Constitution. I know this is bothering some hon. members opposite. It is transferring exploration and recovery incentives to Canada lands. This includes offshore regions. It brings in more revenue from oil and gas that will accrue primarily to the federal government.

It is reducing, without any question at all—and they cannot refute this on the other side of the House—the share of the oil companies by 12 per cent, companies that are already leaving for the U.S. and other parts of the world, either by choice or by force. This is in the Liberal government's interest because it will increase their direct share of the oil industry in Canada. Indeed, through this program they are to decrease incentives and subsidies to those companies that have minority Canadian ownership interest, which will lower their market value and thus make a takeover bid by the federal government easier in the future through the Canadian ownership account. At the same time, the Liberal government seeks to increase the proportion of oil and gas revenue from the provinces.

As nationalization of the oil companies located in Alberta, for example, increases, the provincial revenues decrease because federal oil companies do not have to pay provincial royalties, no matter where they are located. Consequently, the federal Liberal government is determined, in concert with their partners to the left in the House, to nationalize the Canadian oil industry by 1990 and put it in public ownership. The estimated cost to purchase just one firm will be approximately $10.5 million. This cost will be borne directly by the people through the Canadian ownership account.

The government seeks to perpetuate an irrevocable shift in the relationship between the two levels of government in Canada. It seeks to take advantage of the westward economic and demographic trends in this country in two ways: first, by removing the initiatives and awards of such shifts from the western centres to the benefit of the central government; and by disowning the promise of a new federation made to the province of Quebec and to the rest of the country. That promise did not include the moulding of a socialist republic with a strong central government.

This is not the true destiny of Canada, despite the socialist conversion we have undergone under successive Liberal governments which have imposed socialist programs upon the people and have had the people pay for them without having the courage to call them such in an election campaign, namely, the 1980 election.

What is happening here, Mr. Speaker, is that the unholy Liberal triumverate in charge of finance, energy and the Constitution is attempting to snatch power, financial power and constitutional power, from its traditional seat in the provincial legislatures. It will seek to do this at the expense of the unity of our country.

For what, Mr. Speaker? For a grand design born in the precocious and presumptuous mind of one man, and one man only, aided by his loyal and partisan engineers. He is determined to alter the basic, fundamental and historic association of this country, of this constitutional federation, of this democratic union of co-operative levels of government.

If the government was sincere in its stated aims in its energy program, it would not proceed in such a suspect, meddlesome and interfering manner. For one thing, it would not tie itself to the anomalous position of seeking to acquire industrial oil interests in Canada, at the same time seeking to reduce our dependence on oil through conservation. It would not pass on to the consumer the burden of its massive and hypocritical subsidization program to lower the cost of imported oil through the petroleum compensation charge. It would not force the people of Canada to buy foreign-owned oil companies to the detriment of the national deficit and the alienation of foreign resource capital.

The government would have made self-sufficiency in energy a true and legitimate national goal and would have eased the

means to that end, rather than using this laudable aim as a cover for power grabbing and a platform for this government to acquire the resource control it needs to blueprint its disastrous vision for a socialist future for Canada.

The government is charting a dangerous direction in its present course. The people of Canada must realize this is a punitive exercise, not only upon them through their tax dollars, but against their futures. We may be witnessing here, Mr. Speaker, not only the perpetration of irrevocable damage to our oil industry—for it is our oil industry one way or the other—but we may also become horrified observers as Canadians to the destruction of our dearly held and highly valued constitutional system, our economic freedom, and our liberty to pursue prosperity through personal determination and not through the high-handed interference of a godlike central government. Like Hansel and Gretel, the Canadian taxpayer has been led into the woods by this government, and they will find out that it is they who are to be cooked, not the "goose" of the oil companies and other corporate interests.

Let me address Bill C-48 before us tonight on third reading, a bill to regulate oil and gas interests on all federal Crown lands and all of the offshore regions, as a member who represents some 90,000 people in the urban-rural area of Peterborough, Ontario. What will Bill C-48 and the other ramifications of the Liberal National Energy Program mean to the people in Peterborough, as it might mean to other people across Canada?

In the first place, it will mean that everyone who uses gasoline, whether to drive to work, to keep machinery running, manufacturers who run generators, elderly citizens who drive to the shops, will be paying, come January, $1.90 for a gallon of gasoline and perhaps $38 to fill the gas tanks of their cars. In Janurary, 1983, just over a year from now, they will be paying $2.40 per gallon, or $48 to fill the gas tanks of their cars. By January 1985, they will be paying $3.10 per gallon of gasoline and they will have to shell out something over $60 to fill the gasoline tanks of their cars.

• (1720)

This is in contrast to a government campaign to hold the price of gasoline in Canada down lower than 18 cents. It is shameful. Is this what Ontarians thought would happen when the Minister of Finance (Mr. MacEachen) announced his plan a year ago, along with the dismal $14 billion national annual deficit? Is this what they thought would transpire when the former government was brought down on the 18-cent per gallon increase? I do not think so. As painful and difficult as these increases will be to bear—and I know of no constituent of mine who will easily absorb this amount of increase—it is by no means the only significant and deleterious aspect of this bill and other parts of the National Energy Program.

In the first place, a bill such as this which essentially controls the nature, extent and conditions of oil and gas exploration and development in the remaining tracts of undeveloped land in Canada, must be seen in relation to Canada's energy package as a whole. Petro-Canada is an essential and some would say crucial part of the plan. Now some would say that it is a good thing Canada through its federal government is now directly involved in the high stakes energy industry. Some would say that finally Canada is doing something about this foreign ownership about which every Canadian child learns in school. But at what cost?

John Kenneth Galbraith said that it is "the imperatives of technology" and not "the images of ideology" which govern the shape and direction of our larger economic society. However, in the case of Canada's energy sector this does not seem to be true. The primary imperative in Canada must surely be—and I see little evidence anywhere of disagreement on this—the development of our energy resources so as eventually to achieve self-sufficiency in 10 or 15 years. That is agreed by all members of the House—self-sufficiency within a reasonable length of time. Our treasury cannot stand for long the immense drain of our financial resources or, rather, the financial resources of our taxpayers which go to pay for steadily increasing amounts of foreign oil that we find it necessary to import. Foreign oil now costs close to $50 per barrel, and we need 100,000 barrels per day. It is like asking for $50 from every man, woman and child in my riding just to pay for the imported oil for one day.

It is clear that we must reduce our imported oil for both these good reasons—the political reason and the financial reason. But why should the people of my riding, which is as typical a riding as one could find anywhere in Ontario, believe that the government has come to the most viable solution to the energy problems of price and supply? For example, they know that the same government which is offering wholesale nationalization of the Canadian oil and gas industry is the very government which brought the country from a surplus production of 76 million barrels of oil per year in 1974 to a shortfall of 65 million barrels per year in 1978. This will result in compensation payments of $2 billion next year alone. No matter what happens in the way of new strikes of oil, the lead time required for development dictates that one third of our total oil requirement will have to be imported by 1985. This means that even more money will be lifted from the pockets of Peterborough constituents, not just at the gas pumps, even if the pumps display the rather jaunty Petro-Canada maple leaf, but also through their taxes. By 1990 we will be paying up to $9 billion per year for imported oil. This is an alarming figure. It makes up just about 15 per cent of our gross national product. It pretty well takes care of all equalization payments to all provinces on a yearly basis. It goes a long way to servicing our $100 billion national debt. It is four times our largest ever defence contract. In short, it is an unconscionable amount of money to spend on imported oil.

How will our national oil company step in to help the Ontario consumer and taxpayer? What plans does it have for reducing this immense burden? What discount will Canadians enjoy at the pumps for having financed Petro-Canada to the tune of $4 billion?

The first of Petro-Canada's measures to help the Canadian consumer came in 1976 when it took over Arcan for $342

million. The second attempted acquisition to take over Husky Oil was an unmitigated disaster. In 1979 PetroCan took over Philips Petroleum at a cost of $1.5 billion. At the time it was the most expensive takeover in Canadian history. This year Petro-Canada took over Petrofina for another $1.5 billion at a share price which everyone agreed was grossly overvalued. There were distinct indications last spring that many people who should not have made a lot of money out of the deal in fact did. I know it is a satisfying thing to Canadians to have not just any oil company but the largest oil company in Canada owned and operated by the Canadian government. But I wonder, does the Canadian public realize fully the true nature of the beast?

To put the company in some sort of perspective, the fact is that if PetroCan chooses to exercise all its options under the bill, it will end up with 130 million acres of Canadian land. That immense tract of land, as one oil company representative put it, "is going to be sterilized". He said that the government will need a government building 853 storeys high to house all the geologists and oil engineers to exploit fully the amount of land they will be given. Is this a pleasing image to those taxpayers who favour the government's energy program? It will be an oil company run by the government—not the taxpayers who are by right and in effect the proper shareholders of the outfit—from an immense, inefficient, wasteful, featherbedded government office building 853 figurative storeys high.

The people of Canada should remember that it is Exxon, Gulf, Shell and all the other so-called villains of the scenario which are on the verge of bringing the tar sands on line at a cost of $12 billion of their own money, not that of the taxpayers. The people of Ontario should remember that Cold Lake and Alsands are worth $3.2 billion to Ontario alone. The people of Quebec should remember that these two projects—and shortly there will be four—are worth almost $1 billion each to the Quebec economy. But can any member opposite guarantee that with Petro-Canada's increasing involvement in the tar sands these benefits will flow to the extent and at the speed they would through private development? Will they assure the people of Ontario and Quebec that no more of their tax dollars will be spent on their mad rush toward takeovers at the expense of genuine development? Will they promise that another year will not be lost when Ontario's aging manufacturing industries sit idle waiting for new orders which might or might not come from the west or from the north while the government is embroiled in some new cash flow problem or development agreement?

During 1982 prices for gasoline will rise by 50 cents per gallon. This is the fact I would like to keep before the House and before the people of Ontario while I address this bill, this document which is essential to the furtherance of the government's socialist plans for an oil-related energy industry. I believe I hear the flutter of faint hearts on the other side. Lately murmers of "too much, too soon" have been heard. A major securities firm adviser recently said in the national press the following:

> The fallout from the National Energy Program in both Canada and the U.S. appears to have frightened the government somewhat and resulted in a decision to slow down their nationalistic and interventionist thrusts in other areas of the economy.

Some hon. Members: Oh, oh!

● (1730)

Mr. Domm: Members on the other side of the House do not believe any of these people.

The retiring chairman of the Ontario Economic Council said recently that Canada is butchering its relations with the United States, and the cost may turn out to be very high. A senior partner of a major Toronto-based legal firm said last week that not since the Second World War have international currency and investment markets been as negative toward economic policies in Canada as they are right now. Canada's mind-boggling policies in energy, he said, expand the already skyhigh level of foreign debt at a time when real borrowing costs are the highest in 50 years. Here we are borrowing at the highest interest rates in 50 years to acquire companies that were already functioning under a free enterprise society, giving further evidence to my claim that we are moving into a publicly owned socialist republic here in Canada. This same man said that these Liberal socialist policies jeopardize trading relationships with the United States, the market which accounts for 70 per cent of Canada's foreign exchange earnings.

How are the members of this government going to explain the marvellous plan to nationalize the oil industry and lock up the remaining exploration land when Ontario and Quebec manufacturing-based workers are thrown out of jobs because of the retaliatory cancellations of orders from the United States? There is already evidence in the daily papers that the United States is considering adopting a hard line in retaliation against the actions of this government.

One cannot have it both ways. One must either take the benefits of a mutually cordial trading relationship with one's largest trading partner at the expense of some foreign ownership of the country, or one does not. If one chooses the latter, then I hope that hon. members opposite will enjoy eating their ideology. I hope workers in their ridings enjoy taking home pay cheques that are stuffed with socialist descriptions of Canada's national oil industry rather than with dollar bills. I hope they can explain to the drivers of cars in their ridings that they may be paying $5 at the pumps for a gallon of PetroCan gas but that it is really their own gas that they are buying.

The fact is that neither the circumstances nor the necessity have prompted Canada's National Energy Program or this bill, which is a part of it. Circumstances and necessity obviously dictate that development, supply and price are the essentials of our needed energy development, and private development, of course, responds best to these essentials, not some glorified post office wrapped in a glossy wrapping and called an oil company. Canadians everywhere, but particularly those in Ontario and Quebec, will find this out eventually. I am just sorry that it has to be the hard way.

Some hon. Members: Hear, hear!

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak on third reading of Bill C-48. Along with other members of the New Democratic Party, I have worked to point out the shortcomings and failures of this bill which pretends to usher in a new era of Canadian ownership and Canadian self-sufficiency in our oil and gas industry. My colleagues have shown how the Canadianization provisions are a fraud, and how we are missing the boat by failing to insist upon Canadian content in the spin-off industries. Bill C-48 does not make good economic sense for the Canadian people, although it will make some people very rich. As my colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell) said, it is a matter of privilege triumphing over justice and equity.

However, in addition to opposing the bill on narrow economic terms, New Democrats oppose the bill because it looks to massive petroleum development without proper protection for the environment, or without adequate recognition of the rights of native people. This was symbolized by the failure of the committee to go north and hear directly the first-hand views of those northern people, in spite of having made an earlier promise to do so.

We should always remember that these two factors of Canadian life belong together. We cannot talk about the rights of Indian, Inuit and Métis people without considering their close relationship to the environment, to the land and the water near which they live. Preservation of the environment has to be the bottom line in any genuine concern for the aboriginal peoples of Canada. For these peoples, culture is not a separate, air tight compartment of life that has no relationship to the economy; rather, the culture is completely linked with the economy, and both depend upon the environment. Destroy the environment and one destroys the economy; destroy the economy and one destroys the culture; destroy the culture and one destroys the people.

When we look at reports of the way in which this act will be administered, we understand very well why the aboriginal peoples feel threatened. Although the regulations have not yet been made available, a September 19 report in the Montreal *Gazette* points out that the administration of oil and gas development in Canada will be handled by the Canada Oil and Gas Lands Administration, or COGLA for short. In theory, COGLA will report both to the Minister of Energy, Mines and Resources (Mr. Lalonde) and also to the Minister of Indian Affairs and Northern Development (Mr. Munro), but the five-member policy committee will have only one member from Indian Affairs and Northern Development and three from Energy, Mines and Resources. No one on that committee will be from the Department of the Environment. No one will be from the Department of Fisheries and Oceans. It will be completely dominated by a department that is geared and oriented toward development.

Much of the work of COGLA in determining when, where and how exploration, drilling and production will be carried on will be independent of any other government departments. The set-up of COGLA confirms what my colleague the hon. member for Skeena (Mr. Fulton) meant when he talked about the Minister of Indian Affairs and Northern Development as one of the silent partners of the Minister of Energy, Mines and Resources. The other silent partners are the Minister of Fisheries and Oceans (Mr. LeBlanc) and the Minister of the Environment (Mr. Roberts). In spite of the massive impact that proposed developments will have on the environment, and in spite of clear hazards to land and water, the Minister of the Environment has remained silent throughout this debate.

My colleague the hon. member for Nanaimo-Alberni (Mr. Miller) has pointed to the silence of the Minister of Fisheries and Oceans. For the past ten years we have had a moratorium on offshore exploration and drilling off the coast of British Columbia. Bill C-48 would allow that moratorium to be lifted, with potentially disastrous effects on the west coast fisheries. I ask, where is the Minister of Fisheries and Oceans? Why has he not assured the people of British Columbia that their fisheries will be protected? Why has he not insisted on amendments which would guarantee that protection? The bill fails to provide for mandatory public inquiries into oil spills, and it does not spell out what constitutes an oil spill. All of this is left to the discretion of the Minister of Energy, Mines and Resources. He is the man who is in charge of the environment. His track record in regulating, for example, the nuclear industry does not give us any confidence that he will take very good care of the environment as far as petroleum exploration and development are concerned.

The Minister of Indian Affairs and Northern Development did at least speak on the bill. One of the things he said was that there would be no effect on land claims negotiations. When he appeared before the committee last June, my colleague the hon. member for Skeena asked him the following:

> —would you table for this committee a legal opinion that there is no prejudice with the passage of C-48 in relation to aboriginal negotiations and claims, and second, in relation to going from the old regime to the new regime, that negotiations are not precluded by either existing leases or those leases that are to come in the future.

I ask hon. members to note that he very clearly asked the minister to table a legal opinion. The minister replied:

> ● (1740)
>
> Yes, I can give a legal opinion.

He went on to say:

> If you want a legal opinion that states the obvious, I am prepared to try to get that legal opinion for you—sure.

In October the minister was asked about this legal opinion and why he had not tabled it. He replied:

> I do not know whether we are arguing about semantics or technicalities. When I mentioned a legal opinion and when I made that statement, I meant that I would obtain a view in writing based on a legal opinion I would receive as to what the situation was.

Either the minister has changed his mind about tabling the legal opinion and is not willing to admit it, or he did not understand a basic, straightforward question. In either case, he is failing the Canadian people who expect a little more leadership than that.

We want to see that legal opinion. We believe this legislation does affect land rights. Perhaps what the minister means is that there will be no effect on the minister's prejudiced understanding of those rights and the government's very narrow understanding of what land claims are all about.

If one looks at the policy paper the minister submitted to cabinet last year, it is a very different understanding of what the land claims negotiation is all about than many of the native peoples' understanding when they entered into these negotiations. On page 7 of the document entitled "Discussion Paper: Native Claims Policy—Comprehensive Claims", the minister said:

—the factors which have influenced reaching agreement in particular claims are, among others, the following: first, pressures from the imminence or anticipation of major development in the claimed area—

On page 9 we find this statement:

In respect of priority, efforts should be concentrated on those groups where potential for settlement is most promising and/or urgently required, leaving other groups for the future.

In other words, development will take place, and where development is looked to that is where land claims will be negotiated; but the aboriginal people will have to negotiate with a gun to their head.

Some of the guidelines listed in the annex to that document make clear how poorly the government understands what is needed. First, we find the following:

There must be extinguishment of all land claims based on aboriginal title in exchange for conferral of specific rights and benefits.

The aboriginal people have not wanted extinguishment. What they have fought for and demanded is recognition of their rights. The government is taking the position that yes, it owes them something but the government will only begin to talk about paying that something if the people agree the government does not owe it. The government wants extinguishment. The aboriginal people want recognition.

One of the ways Bill C-48 impacts is clearly spelled out in a recommendation which the minister made about negotiations. He said:

Holders of subsurface rights must have access to native lands where necessary for exploration, development and production of resources, subject to fair compensation as determined through timely negotiation and/or an arbitration system.

In other words, the Indian people will be handed a situation which they have to accept. They have to conduct their land claims negotiations within those very narrow definitions. For the government to try to maintain that Bill C-48 does not affect land claims negotiations only makes sense in the context of the narrow definition of the government trying to impose what those negotiations should be. It does not make sense in terms of the wider understanding of land claims which the aboriginal people themselves have had. Therefore, it is essential that we should have that legal opinion so that members of this House and the Canadian people can determine what the effect of Bill C-48 will be on aboriginal claims.

Over a year ago members of the Nuu Chah Nulth people on the west coast of Vancouver Island and the Haida people on the Queen Charlotte Islands submitted aboriginal claims to the minister. To date no answer has been received even as to whether those claims have been accepted for negotiation. Maybe in light of the government's policy of giving priority to areas where there is massive development projected, the people should hope for some kind of offshore drilling. While it would destroy their environment, it would advance the claims process. The government takes a cynical view of waiting for development before pushing ahead with negotiations.

In the minister's speech to the House on October 19, he pointed to the process by which the Norman Wells pipeline was approved. He pointed to that as an example of a balanced approach to the way in which the claims of aboriginal peoples are weighed and looked at as well as the demands of industry. As reported in *Hansard* at page 11920, the minister said:

This decision was not arrived at lightly. In weighing the elements of the Norman Wells project the government asked the Federal Environmental Review Assessment Office, commonly referred to as FERAO, to consider not just the environmental factors but also the socioeconomic aspects of that project. The National Energy Board also studied the project, and both agencies held public hearings both north and south of 60 and reported positively, subject to specific terms and conditions.

It seems the minister is suggesting that there was an adequate process and the views of the aboriginal people were heard. In the National Energy Board Reasons for Decision, on page 172 we find the following:

As to regional socioeconomic desirability, the Board finds that the proposed pipeline project may not provide the region with a net positive benefit but rather that its modest potential benefits and modest potential liabilities would balance out, at least in the short term.

The National Energy Board is very pro-development. The most the National Energy Board could hope for was that there might be some kind of a trade-off.

The environmental assessment and review process held hearings and reading from page 23 of its report we find:

At most public meetings a representative of the Dene Nation stated the Dene policy position that there should be no development before a land settlement is obtained in the western NWT. In each community, the band chiefs and councillors reinforced this position.

In each community the local spokespeople emphasized that there should be no development without a settlement.

Mr. Nickerson: Some of them did.

Mr. Manly: On page 81 of that same report we find the following:

The panel concluded that any resource development proposal would face the same opposition, and therefore, declined to make a recommendation which linked land settlement to the Norman Wells project.

In other words, recommendations were made without any clear consideration of the way in which this would affect the land negotiation process.

Last spring the government and all of us rejoiced in the fact that there was an all-party agreement to include recognition and affirmation of aboriginal and treaty rights in the Constitution. On this side we felt this would give these people some protection against the kind of legislation we see in Bill C-48. The Liberals give and the Liberals take away.

• (1750)

The problem with that process is that the government thinks it is giving something by putting that clause in, but in reality what it is doing is recognizing a right. These rights are recognized and affirmed, they are not things that can be given and taken away at will. Those are rights that at that time we were able to recognize. Now we are somehow being blinded by some vision of consensus which prevents us from recognizing those rights. Those rights are still there and they should still be recognized. We should not allow this bill to ride roughshod over the peoples of that area.

In conclusion, I should like to point out that this bill fails in its stated objective of bringing Canadian ownership and Canadian control to the oil and gas industry. It fails to maximize Canadian jobs in the spin-off industries, and it fails to do what it intends to do. In the process, it poses a great threat to the Canadian environment, and especially to the rights of the aboriginal peoples. This is not a good bill for the Canadian people and I believe it should be sent back to the drawing board where we should make a few more changes so it will look after the rights of the aboriginal peoples and our environment, and will provide the maximum benefit to the Canadian people as a whole.

Mr. Bill Wright (Calgary North): Mr. Speaker, I did not intend to speak tonight, but after listening to a few of the NDP members today I must admit I found it very strange that they would stand in this House day after day berating the government for what it is or is not doing, particularly in view of the fact that they vote with the Conservative Party against the government on most of the amendments presented to this House, both in relation to this bill and others. This is the same party that helped vote the Conservatives out of office in December, 1979.

Some hon. Members: Hear, hear!

Mr. Wright: I would like to deal with one member of the NDP in particular. The hon. member for Kamloops-Shuswap (Mr. Riis) stood in this House last night and said he was concerned, along with his party, about small business. Where was that party when we stood in the House during the past year telling the government how many oil rigs were leaving the country? The hon. member for Kamloops-Shuswap stated, as recorded at page 12669 of *Hansard* for November 9, that this exodus of oil rigs was orchestrated. How do they justify that to the hundreds of people out of work and families who are separated because one member has to move to another country in order to support the family? For a member to make such a statement is unbelievable. He stands in this House day after day and says he supports small business. Where was he during the mail strike when everybody in this House knew that the Liberal party had no intention of settling that mail strike until the end of the summer?

This bill has a greater effect on small businesses in the oil industry than any other. It does not affect the multinationals because they do not care. It does not hurt the multinationals one iota. If you look at the history of multinationals in various countries you will see that they can increase or decrease their exploration funds as they need. That is not true of the independents, those small oil companies which started up ten or 15 years ago. Yet members of the Liberal party, just as members of the NDP, say they support small business. That is hogwash. They really do not care about small business. Four jobs of every ten are provided by small business. It is laughable when those members opposite tell us they support small business.

Ten or 15 years ago many of these small oil companies just got started. They did not represent very much, but hon. members opposite who remember those days will know where those small businesses went when they wanted funds. Did they go to Toronto or to Montreal? I suggest they did not. Many of them had to go south to get partners. That has been the unfortunate history of this country, supported by the Liberal government. One only has to go back to 1965 when basically these small companies really got started to verify that fact.

Let me now speak directly to the bill. In 1974 the Prime Minister (Mr. Trudeau) said on a number of occasions that we will have oil self-sufficiency by 1980. We do not have oil self-sufficiency today and there is no possibility we will have it by 1990. The oil companies individually and as a group under IPAC and CPA have told this government there will not be oil self-sufficiency by 1990. The Minister of Energy, Mines and Resources (Mr. Lalonde) stands in his place and says: "That is hogwash; of course we will." Then we get a report from the National Energy Board which says we will not have oil self-sufficiency and there is nothing to prove that we will.

At the present time we are consuming approximately 1.8 million barrels a day and we are producing 1.4 million barrels a day. We know our production is decreasing at the rate of 100,000 barrels per day. By 1990 our production will be down to 700,000 barrels per day. The National Energy Board has also confirmed that in 1990 we will still be consuming the same amount of crude oil, namely 1.8 million barrels per day. By 1990 we will need an additional 1.1 million barrels of crude oil per day. Where are we going to find it? Will we find it off the east coast? There is no proven find there presently. We have the possible production of 40,000 or 50,000 barrels a day at the present time, but we have no way of getting the oil out. Are we going to find that additional oil in the Arctic where Dome has just indicated an interesting discovery? Will that account for that 1.1 million barrels deficit in oil? There is little likelihood we will have oil self-sufficiency by 1990. The oil companies have been telling the government this and we have been saying the same, but the government refuses to believe us.

May I call it six o'clock?

The Acting Speaker (Mr. Blaker): It being six o'clock, pursuant to special order made earlier, this House stands adjourned until Thursday at eight o'clock in the evening.

At six o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, November 12, 1981

The House met at 8 p.m.

• (2000)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Madam Speaker, each year budget speeches have become longer and more complex. I intend to reverse this trend. Tonight I wish to speak urgently and directly to Parliament and, through Parliament, to all Canadians. I shall be tabling a comprehensive set of budget documents which expand in substantial detail on all that I shall say this evening.

Over the past two months, energy agreements have been concluded with the three western producing provinces. Last week agreement was reached on the Constitution. Two enormously divisive issues have been resolved and Canadians have shown once again how they can work together. Output and employment grew more over the past year than I expected at the time of my last budget. But major challenges still remain on the economic front.

We are confronted by severe inflation and extremely high interest rates. Inflation and interest rates at their present levels are bringing economic growth to a standstill and creating grave inequities among Canadians. The impact of high interest rates on home owners, small businesses and farmers is visible and damaging. But high interest rates flow from high inflation and there can be no deep and lasting relief until inflation can be reduced. We cannot hope to insulate ourselves from interest rate policies in other countries unless our inflation rate is lower than theirs.

I have attended international meetings throughout the past year and have been struck by the growing conviction around the world that growth cannot be sustained if inflation is not sharply diminished. My concern over unemployment has been heightened by the events of recent months. But we will generate less employment, less growth and more unemployment if we attempt to live with inflation than if we resolve once and for all to see it steadily reduced.

This budget has three themes: restraint, equity and economic renewal.

The first is the need for restraint on the part of the government and restraint on the part of all Canadians. For our part, I believe we must reduce our deficit and our borrowing requirements substantially—even more than I proposed a year ago. This will take pressures off credit markets, ease interest rates and provide room for needy borrowers. The control of the money supply by the Bank of Canada is an essential element in our strategy to fight inflation, but it has to be supported by greater fiscal restraint.

While the increase in our energy revenues will make an important contribution to this objective, I have had to seek additional revenues from the personal and corporate tax, although there is tax relief or no tax increase in this budget for the vast majority of Canadians. Most fundamentally, we are committed to restraining the growth of our spending over the next few years to less than the growth of the economy as a whole while still exercising our responsibilities for leadership and for caring.

But we also call upon all Canadians to accept the challenge of restraint, so that inflation is reduced, interest rates are brought down and growth resumed as soon as possible. I recognize that prices are now slowing down in many markets, and that incomes have not exploded as they did in 1974 and 1975. Canadians give evidence of recognizing that increases in energy prices and other real cost increases must be absorbed and cannot be automatically offset. But successive reductions in money income demands will be required year by year if declining inflation is to be achieved.

It is dramatically clear from everyday experience that excessive income demands on the part of those employed push up costs, reduce our competitiveness, and thereby deny employment to others. Our economic projections also illustrate the fact that higher money incomes for those with jobs add little or nothing to their real incomes in the short run and that the cumulative effect of excessive demands does damage to everyone's longer-run prospects for a higher standard of living.

• (2010)

I believe Canadians understand this. The problem is to provide assurance that some will not gain unfairly by refusing to constrain their demands while others who do act in the collective interest fall behind. This is clearly the responsibility of government.

Thus the second theme of this budget is equity. I dedicate myself and this government in this and succeeding years to maintaining a fundamental sense of fairness in our society. As evidence of that dedication, I am proposing a major overhaul of the personal tax system. I am also announcing a package of

relief measures for home owners, small businesses and farmers most threatened by high interest rates.

[*Translation*]

If the first two themes of this budget are restraint and equity, the third theme must be renewal. The whole purpose of my fiscal strategy is to lay the basis for sustained growth in the future by clearing away the obstacles of high inflation and unprecedented interest rates.

This decade offers exceptional opportunities for strengthening and diversifying growth in every region of Canada. Expanded world markets, massive resource projects and a new industrial revolution: these are the vast development opportunities before us.

The policies and programs of the national government are major instruments for managing and exploiting these development opportunities and ensuring that the benefits are shared fairly. Harnessing the resources of the economy is a national enterprise which includes but extends beyond the interests of particular regions or sectors.

[*English*]

I will be tabling this evening a major policy document on economic development for Canada in the 1980s. The government intends to consult with the provinces, business and labour concerning the five priority areas of economic development policy set out in the document—industrial development, resource development, transportation, export promotion and human resources. In this decade of development we must work together to renew the foundation for the fair sharing of wealth and opportunity that binds us together as Canadians.

You may recall, Madam Speaker, that last year in my budget I announced a generous and new measure to stimulate development in slow growth regions of the country. I am, of course, referring to the 50 per cent investment tax credit for those companies wishing to invest in specially designated areas, the poorest areas of Canada.

I want to report a bit of news I received just a few minutes ago from my colleague, the hon. Minister of Regional Economic Expansion (Mr. De Bané), who informed me that because of this 50 per cent tax credit, Brunswick Mining and Smelting has decided to construct the most modern zinc smelter in the world on the north shore of New Brunswick. This project will involve a total investment of over $300 million, will create 1,500 person-years of work during the construction period, and 400 permanent jobs. It is the single most important investment ever on New Brunswick's north shore, an area that has long suffered the consequences of economic disparity. That is what this government means when it talks about economic development.

Some hon. Members: Hear, hear!

EQUITY AND INCENTIVES IN THE TAX SYSTEM

Mr. MacEachen: Madam Speaker, I turn now to my tax proposals.

Many Canadians find our tax system unfair, and I agree with them. They realize that taxes are necessary to pay for important government services, but they feel that rates of tax are too high. They sense that others, the well-advised or the wealthy, very often pay less than their fair share.

A study of selective tax preferences available to individual taxpayers, which I am tabling tonight, shows that the revenues lost through selective write-offs, exemptions and deferrals are massive. Over $47 billion of personal income escaped tax in 1979. If these preferences were reduced or eliminated, rates of tax could be halved without reducing federal revenues. Some higher-income individuals are able to reduce their tax rate to well below that paid by lower-income Canadians. Some can escape paying taxes entirely. This is unacceptable.

[*Translation*]

A cutback of tax preferences will permit a lowering of tax rates. Madam Speaker, the simple truth is that if only half of income is taxed the rates have to be twice as high to yield the same revenue. Lower tax rates will improve the incentives to work, save and invest. These incentives will be direct, easy to understand and available to all. Lower tax rates will also reduce the tendency for taxpayers to devote wasteful effort and money in finding artful ways of avoiding tax. For these reasons I propose to end a number of special tax preferences, to restrict others, and to lower tax rates.

• (2020)

[*English*]

Specifically, I am eliminating tax deferrals through income-averaging annuities and the capital gains reserves and also repealing general averaging. In their place I am introducing a new forward-averaging provision. I am ensuring that a number of employee fringe benefits such as low-interest loans and employer-provided automobiles are properly taxable. I am reducing the tax deferral for investment income that accrues but is not received for an extended period. In addition, I am ending the deduction for carrying charges in excess of the related investment income. The details of these and other changes, which mainly affect high-income individuals, are given in the budget documents.

The revenue gained by these measures allows me to reduce tax rates over a broad range of taxable incomes for 5.8 million Canadians. Tax rates will be reduced for all taxable incomes over $11,120. At the top income levels, the marginal rate of federal tax will be reduced to 34 per cent. This means, Madam Speaker, that the maximum tax on each additional dollar of income will be about 50 cents on average depending on the province, compared with about 64 cents at present. This will also effectively limit the top tax rate on capital gains to 25 per cent.

I am also proposing tax reductions which will benefit lower-income Canadians. I am doing this by modifying the federal tax credit. This special credit is currently 9 per cent of tax with a minimum cut of $200 and a maximum of $500. This credit will now be set at $200 for *all* individuals, but married

taxpayers will be able to claim an additional $200 for their dependent spouse. This means that for more than 620,000 lower-income families, the entitlement to the federal tax credit will be doubled to $400.

I am extending for another year the special tax remission to employees working in the north and isolated posts.

Some hon. Members: Hear, hear!

Mr. MacEachen: Indexation of the personal income tax system will be retained. As a result the personal exemptions for a family of four will rise from $7,230 to $8,110 next year. The child tax credit will be increased from $261 to $293 per child. In total, indexing will benefit all individuals and provide a tax reduction worth over $3 billion next year.

[*Translation*]

As a result of indexing and the measures I have announced, a typical family of four will be able to earn about $15,000 in 1982 without paying any federal tax. The net effect of the restrictions on tax preferences and lower tax rates will be to increase tax revenues. But this revenue increase will come from those most able to pay. It will be concentrated among those who took advantage of the provisions now terminated. The majority of other taxpayers will see their taxes reduced, many significantly.

[*English*]

The corporate sector must also contribute to the reduction of the federal deficit in the fight against inflation. Lower inflation and lower interest rates will produce a more favourable economic climate for business in Canada. The major changes affecting corporations are a reduction of the depreciation write-offs in the year the property is acquired and a two-year extension of the surtax on large corporations. However, the surtax will be halved to 2.5 per cent in 1983. Even with these changes the Canadian tax system will provide significant incentives for investment and will continue to compare favourably with those in other industrialized countries.

In addition to these changes, I am proposing a number of measures to address the particular problems of small business. As part of this package I am exempting them from the corporate surtax. I am also increasing the limit for the low tax rate for small business corporations to $200,000 per year, and I am making the special benefits for small manufacturing corporations more readily available.

It is also my intention to move the federal manufacturers' sales tax to the wholesale level and to reduce the general sales tax rate accordingly.

I would also like to announce reductions in unemployment insurance premium rates. The rate for employees will be reduced from $1.80 per $100 of insurable earnings to $1.65. The employer rate will be reduced to $2.31.

In summary, the changes I am introducing tonight will bring about a major improvement in our tax system. They will raise needed revenue to reduce the federal deficit, ensure that the burden is shared equitably by all Canadians and minimize the detrimental impact of high tax rates on the efficient operation of our economy. I believe that these are goals that all Canadians can support.

RELIEF FOR THOSE MOST AFFECTED BY INTEREST RATES

Beyond the restoration of equity and incentive to the tax system, Madam Speaker, and the tax reductions which flow to millions of Canadians from the changes I am proposing, I would like to direct further relief to those most affected by high interest rates.

Abnormally high interest rates have had particularly adverse impact on any small businesses. I am thus extending the small business bond for one more year for firms in financial difficulty. The benefits of the measure will be extended to farmers, fishermen, and other unincorporated businesses as well.

Some hon. Members: Hear, hear!

Mr. MacEachen: Farmers who cannot afford to keep operating at current interest rates will be able to obtain loans from the Farm Credit Corporation at five percentage points below the normal Farm Credit Corporation lending rate, which would now be a special rate of 11¾ per cent. I have set aside $50 million to allow the Farm Credit Corporation to make these additional loans and to pay for the cost of the interest rebate.

• (2030)

I am also greatly concerned over the distress of home owners having to renew their mortgages at higher interest rates, and over the shortage of rental accommodation. I have sought ways of honouring the government's commitment to protect those most in need. I announce tonight that the government has set aside a further $350 million to fund the following measures.

Those home owners who have a reasonable amount of equity in their home can obtain relief by deferring part of the higher interest. The government is prepared to guarantee the interest deferred, within limits, when mortgage payments exceed 30 per cent of gross income.

Those home owners whose mortgage debt would reach unduly high levels as a result of interest deferral need further assistance. In those cases, the government proposes to pay for all or part of the interest deferred, up to a maximum of $3,000 a year.

In order to encourage the construction of rental housing, the government will provide interest-free loans of up to $7,500 per unit for 15,000 units allocated to tight markets across Canada.

My colleague, the minister responsible for Canada Mortgage and Housing Corporation, will provide very shortly the details of these programs. He will also submit a bill to Parliament to obtain legislative authority for these measures and to make other changes to the National Housing Act.

You may remember, Madam Speaker, that when this Parliament was opened, the government stated in the Speech from

the Throne that it would act to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure will be avoided. That was the commitment made in the Speech from the Throne. It is being fully discharged tonight.

Some hon. Members: Hear, hear!

Mr. MacEachen: I want financial institutions, especially banks, to do more. I particularly want them to ensure that ample funds will be available to smaller borrowers at the lowest possible margin of cost over the rates which they pay to their depositors.

OTHER SPENDING PRIORITIES

There are other areas where additional spending is needed, Madam Speaker. We are prepared to provide substantial amounts of money to meet high priority needs. In tabling our economic development strategy for the 1980s we are providing a definitive blueprint to guide the economic renewal upon which this budget is predicated. We intend, Madam Speaker, to see that the required resources are directed in support of these priorities and their realization. In the fiscal plan that is tabled tonight $60 billion will have been allocated in support of economic and energy development in Canada over the term of that plan.

I also recall to your memory, Madam Speaker, another statement in the Speech from the Throne in which the government declared its intention to ensure that Canada plays a vigorous part in the world beyond our borders. That expectation was brilliantly realized in the past year as the Prime Minister of Canada (Mr. Trudeau), as the chairman of the Ottawa Summit and as co-chairman of the Cancun Summit, did so much to project Canada's image abroad.

Some hon. Members: Hear, hear!

Mr. MacEachen: We intend to back that up by concrete measures in this budget.

Large increases in our Defence and Foreign Aid spending result from our international commitments. In my view, it would be imprudent and shortsighted to go back on these commitments in the interest of budgetary restraint. In the case of defence, we have a commitment to NATO to achieve 3 per cent real growth in our defence expenditure in order to strengthen the security of the Alliance. With rapid increases in costs, this means that our defence spending will grow by 17 per cent this year and over 18 per cent next year.

In the case of foreign aid, we have reaffirmed at recent Summit meetings our commitment to reach the target of 0.5 per cent of GNP by 1985. We must recognize not only the strong claims on humanitarian grounds to assist the poorest countries of the Third World, but also that foreign aid is in our own longer term self-interest in an increasingly interdependent world.

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

In other areas, however, we have had to seek some savings in order to achieve our target of fiscal restraint. Some restraint must be applied to our transfers to the provinces so they grow no more rapidly than our expenditures generally. There has been great concern that I was about to threaten the survival of our post-secondary education institutions or to destroy medicare, which, as Minister of National Health and Welfare, I introduced and saw passed in this House. These fears are without foundation.

[*English*]

The proposals which I will be tabling tonight will enable us to achieve the desired savings without affecting federal contributions to the financing of provincial medical care, hospital care and post-secondary education programs.

I am proposing to eliminate compensation for the 1972 revenue guarantee which was included in the Established Programs Financing arrangements in 1977.

I am proposing a revised and improved equalization system to replace the system that will expire on March 31, 1982.

I would stress again that transfers to the provinces over the next five years are still projected to grow at least as fast as the rest of our expenditures.

Moreover, the tax changes I have proposed will automatically increase provincial revenues, and I trust provinces will agree with me that the proposals are desirable. Indeed, the increase in provincial revenues during the first two years of the new arrangements will virtually offset the reduction in transfers due to the elimination of compensation for the 1972 revenue guarantee.

I am very hopeful that the provinces and the interested communities will find my proposals equitable. In the pursuit of restraint, I am asking no more of the provinces than I have imposed on the Government of Canada.

OTHER AREAS WHERE SAVINGS CAN BE ACHIEVED

Under the new expenditure plan the envelopes are set in the expectation that most new programs will have to be financed by reducing the cost of existing programs. But I would like to mention specific areas where we are planning significant savings.

● (2040)

We have been able to reduce the amount allocated to the Energy envelope and we have deferred certain expenditures from the Western Development Fund. The larger part of the Western Development Fund remains within the Economic Development envelope, and will be dedicated to the improvement of the western transportation system. The remaining portion of the fund has been transferred to the Social Affairs envelope, for use in improving the housing conditions and economic opportunities of our native peoples.

On October 16, the Post Office became a Crown Corporation. The new corporation has been instructed to eliminate the postal deficit by 1985-86. The increase in postal rates which has already been announced will begin this process. Further increases are likely to be required, but the major contribution should come from better service and improved efficiency.

We are, of course, extremely conscious of the need to reduce the costs of government. One step in this direction is the development of better ways of managing the government's physical assets such as land and buildings. We are also asking the Treasury Board to identify a $100 million reduction in overhead costs. This will reinforce the ongoing search for greater efficiency which is reflected in the fact that the authorized size of the public service this year is less than it was in 1975-76.

Finally, I would note that we expect a very sharp reduction in the growth of our interest costs from 38 per cent this year to less than 5 per cent in 1985-86. This is one of the major benefits of our efforts to reduce the deficit.

I would now like to table the budget documents, all in the interest of freedom of information.

The Budget—Mr. MacEachen

Madam Speaker: Does the minister have consent to table the budget documents?

Some hon. Members: Agreed.

SUMMARY OF THE FISCAL PLAN

Mr. MacEachen: The documents are, first, the Budget in more Detail; second, Budget Papers and Notices of Ways and Means Motions; third, the Current Economic Situation and Prospects for the Canadian Economy in the Short and Medium Term; fourth, Fiscal Arrangements in the Eighties—proposals of the Government of Canada; fifth, Analysis of Federal Tax Expenditures for Individuals, and, finally, Economic Development for Canada in the 1980s.

I will be proceeding in the usual way with the introduction of bills to amend the tax laws. I would ask the consent of the House to include in *Hansard* the standard table which provides the projections of the government's fiscal position.

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

The Fiscal Plan
Government of Canada
Summary Statement of Transactions[1]

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
	(millions of dollars)					
Budgetary transactions						
Revenues	45,398	54,310	64,960	74,525	82,655	91,745
Expenditures	−58,066	−67,650	−75,450	−84,075	−92,635	−101,950
Surplus or deficit (−)	−12,668	−13,340	−10,490	−9,550	−9,980	−10,205
Non-budgetary transactions						
Loans, investments and advances	−523	−650	−850	−1,075	−1,265	−1,350
Specified purpose accounts	2,781	3,720	3,550	3,910	4,705	5,420
Other transactions	293	495	1,205	1,170	560	−230
Net source or requirement (−)	2,551	3,565	3,905	4,005	4,000	3,840
Financial requirements (excluding foreign exchange transactions)	−10,117	−9,775	−6,585	−5,545	−5,980	−6,365
Total outlays[2]	58,589	68,300	76,300	85,150	93,900	103,300

[1] For comparability, budgetary revenues and expenditures for 1980-81 and 1981-82 are adjusted to treat Canada Post revenues and expenditures as if this agency were under Crown corporation status throughout the period. The budgetary deficit and financial requirements are unaffected as a result of these adjustments.

[2] Total outlays are composed of budgetary expenditures plus loans, investments and advances.

Mr. MacEachen: The new spending targets contained in this budget grow less rapidly than the economy as a whole. As a percentage of GNP they decline from 20.6 per cent in 1981-82 to 19.2 per cent in 1985-86. On a comparable basis, the new outlays targets represent a lower percentage of GNP in each year than those shown in the last budget. This is clear evidence of intensified restraint. There are some who will still argue that we are spending too much. But it is not good enough to

call for greater restraint and at the same time resist reductions in specific programs.

The new energy taxes, which are included in the Notices of Ways and Means Motions I am tabling tonight, will yield $900 million more in 1982-83 and $1.5 billion more in 1983-84 than the energy revenues projected in last year's budget.

The income tax changes I have announced tonight will increase our revenues by $1.4 billion in 1982-83 and by about $2 billion in 1983-84.

A year ago, I anticipated that our deficit as measured by our financial requirements for 1980-81 would be $12.2 billion; in the event it was $10.1 billion, about $2 billion less. I now expect that the deficit this fiscal year 1981-82, will also be much lower—$9.8 billion compared with the $11 billion projected a year ago.

To a large extent we did better in those years because the economy was growing faster than I had expected, but we used those increased revenues to decrease the deficit. We did not use them for additional spending programs. Now I have set myself the task of cutting back the deficit in the next two fiscal years, and this will be more difficult because the economy is growing more slowly. Specifically, I propose to reduce our financial requirements to $6.6 billion in 1982-83 and $5.5 billion in 1983-84.

Hon. members will recall that when I brought in the borrowing authority a few months ago, I asked the House for authority to borrow $14 billion, $3 billion of which was contingency and $11 billion was for real. The next bill I will be bringing in will have reduced that $11 billion to $6.6 billion. That is very sharp in substance and in signalling to the community that we are serious about our dedication to reducing interest rates and bringing down inflation.

CONCLUSION

Madam Speaker, I believe that the economic strategy contained in the budget is the surest, fairest response to the economic problems which confront us. It will not provide a quick fix; such magic is not available. It is only with care, determination and persistence that our economic and social goals can be realized. But we can now reasonably expect that the rate of inflation will gradually come down from the peak levels reached this summer. Already we have seen some decline in interest rates over the past few weeks.

Today we had a significant decline in the bank rate, no doubt in expectation of the constructive character of this budget.

Some hon. Members: Hear, hear!

Mr. MacEachen: We can look forward to continuing declines in interest rates as the rate of inflation slows. That is the fundamental solution to the problems faced by home owners and farmers and small business, though the specific measures of relief I have announced tonight will be helpful in the period of transition.

During this period, growth is likely to be slower and unemployment higher than we would like to see. But only a decline in the rate of inflation and the rate of interest can lay the basis for renewed and sustained growth in the future.

● (2050)

[*Translation*]

I recognize, of course, that we live in an uncertain world. We could do worse than I have projected, for reasons which lie totally outside our control or because the self-defeating battle for higher incomes becomes more intense. I am sure we would do worse if we lost our resolve to keep on fighting against inflation. Such a retreat would not only lead to more inflation and higher interest rates, it would damage our prospects for sustained economic growth in the future. I have been urged by some to worry less about inflation and minister to unemployment and growth. There are siren qualities to these entreaties that could well lead us onto the rocks.

[*English*]

We could also do a good deal better than I have projected. Inflation would come down more rapidly if international prices drop and if larger gains in productivity can be achieved. It certainly would if Canadians were prepared to take smaller increases in their money incomes, either in the expectation that prices will rise less rapidly or in order to keep their jobs. Excessive income demands can obviously make it more difficult for employers to maintain their operations when markets weaken. We are beginning to see cases where jobs are being preserved by the giving up of some contractual benefits. This seems to me a fairer way of sharing the burden. But everyone would be better off if more restraint had been shown in the first place.

I have been urged by some to resort to income and price controls to bring down inflation and to exchange controls to prevent depreciation of the dollar. But I am sure that Canadians do not want this much intervention by the government in their affairs except in an emergency. Exchange controls simply won't work. Many are bound to regard price and income controls as unfair, and therefore incompatible with my commitment to equity. The AIB controls helped resolve the emergency situation of 1975, but did not solve the underlying problems. This time we need a more lasting solution.

The key which can open the door to our future is a change in our attitudes and expectations. We will move much more quickly to non-inflationary growth if the conviction spreads that we are heading back towards stable prices and lower interest rates. The whole process will be much easier if everyone feels he is being treated fairly. That is why I have put so much emphasis on restraint with equity. I have also emphasized the promise of renewal. There are great opportunities for us to exploit. It is time to overcome our anxieties and regain our confidence in ourselves and in our country.

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have listened to the minister's speech. He calls this his third budget speech, but I think we should draw to the attention of the House that this is probably the first budget speech he has made. The first time he called it a budget speech, he took all the goodies out of another budget speech that had been presented to the House a few months before; the second was a budget speech that was prepared by his colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde). It is very interesting now to look at this budget and try to get some indication of what the Minister of Finance (Mr. MacEachen) thinks.

I would be very careful in reading this budget speech. I am sure that, as you listened to it, you thought some parts of it are good, that there are some nice sounding elements in it.

Some hon. Members: Hear, hear!

Mr. Wilson: I caution hon. members opposite, the Liberal members who are applauding with such pleasure, that they still have to go back to their ridings; they still have to meet the people who elected them to the House.

Some hon. Members: Hear, hear!

Mr. Wilson: I think hon. members will find, as they read between the lines and as they analyse these figures, that they have had another game played on them. The figures that are in the budget today are figures that the minister is using to play with the people of Canada. It is another shell game that the minister is playing.

Some hon. Members: Hear, hear!

Mr. Wilson: I will outline some of these concerns. There have been a number of ministers over the past month or two who have been saying, "Wait until the Minister of Finance gives his budget speech". They did not want to respond to the problems at the time because the minister would come forward with the solutions.

I think that members opposite are looking at the Minister of Finance now and saying, "We have got the Vince Ferragamo of Canadian politics sitting there".

Some hon. Members: Hear, hear!

Mr. Wilson: The minister has thrown a few gimmicks on the table here this evening. He has not attacked the fundamental problems that are facing the country today. He talks about restraint. That is one of the three features of his budget of restraint, fairness and renewal.

Let us look at restraint. Again, I warn hon. members opposite to be very careful as to how they look at these figures. Government spending in this current year, by this government that is so devoted to restraint, will rise by 22 per cent.

Some hon. Members: Shame, shame!

Mr. Wilson: That is a 22 per cent increase. How many Canadians can increase their spending by 22 per cent? How many people will receive a 22 per cent increase from their employers next month? Twenty-two per cent is the increase in government spending this year.

The government has been totally mesmerized by the Constitution over the past year and a half. We have been asking for a budget that would attack these fundamental problems. Canadians have worked very hard over their lives. I talked with a man the other day who was telling me that he worked for ten to twenty years in this country and he had given everything he had. He said, "I don't know where this country is going; I can't believe the things that are happening in this country; things are going completely to hell". This is the way people are responding. The minister called on people tonight to express a little confidence in their country. How can they express confidence in their country when the minister calls upon them for restraint at the same time as he increases his spending by 22 per cent?

• (2100)

Some hon. Members: Hear, hear!

Mr. Wilson: I believe this budget continues the massive assault that the government's policy has wrought on the average Canadian over the past year and a half. We have seen energy taxes over the five-year period that we are in now rising, on average, $1,400 a year per family. On top of that, the minister can take more money out of the economy. The government is not able to manage its affairs sufficiently well. It has to increase taxes more after taking $55 billion out over the next five years.

There is no attack on interest rates in the budget. The minister talked about the importance of getting interest rates down. We all know that they should be down, but he has not learned about the problem of interest rates. He has not understood that interest rates have been forced to the levels at which they are today by the high borrowings of the government. The Prime Minister (Mr. Trudeau) acknowledged three times in his ridiculous speech to the "fat cat" Liberals about a week ago that the government deficit was an important cause of inflation in the country. The government deficit this year will be $13 billion higher than last year. How does the minister expect that interest rates will decline when he is increasing the size of his budget contrary to the advice he should have received from his seatmate a couple of weeks ago?

Small business, the backbone of the country that we know, has been attacked in the budget. The minister said that there are a couple of things in there to help small business, but let us analyse these. The small business development bond will be extended, but it will only be extended for those companies with financial problems. The small business community which enjoyed the small business development bond over about a two-year period now will have it taken away. There is another element in the budget which we must analyse very carefully. The minister increased the ceiling for the low tax rate for small businesses. But there is another bit of small print which indicates that the ceiling is not the same ceiling we had one day ago. The ceiling will be changed now so that the benefits

of the increase in the ceiling will be taken away from the small business community. Small businesses have suffered greatly from the high interest rates in the country over the past year and a half. Small businessmen who are supporting their companies out of their own savings now must look ahead to another year of more difficult experiences than they have had over the past year.

Housing is a problem which is affecting people in the country from all sides. I do not think there is a man or woman in the House or a man or woman in the country who has not suffered directly or does not know someone who is suffering a very sharp increase in the size of his mortgage payments or his rental payments. What we have heard from the minister tonight is probably the most minimal program with which he could have possibly come forward and still maintained some sort of relation with the minister responsible for housing, who I see has even left the House now, he must be so disgusted by what he saw in the budget tonight.

Some hon. Members: Hear, hear!

Mr. Wilson: There is also a very minor program for increasing the supply of rental housing. I do not know whether the minister realizes the problem we are facing in rental housing. Housing starts over the past five years have dropped every year, and we still do not have any action taken by the government to address this problem. The minister talked about a small subsidy program for 15,000 units. We need 220,000 units in the country because there are zero vacancy rates in Toronto and in Vancouver and almost zero vacancy rates in many other metropolitan areas. We have minimal help, which will not address the real problems that that part of our economy is facing.

The farm community has received a token amount of $50 million. I say, "a token amount" because in relation to the needs of this community, we believe—and the hon. member for Elgin (Mr. Wise) recommended it—that the funding to the Farm Credit Corporation should be increased by $500 million. That is the amount needed to face the problems which that part of the country is facing. I have to tell the minister that the extension of the small business development bond to include unincorporated businesses that includes farmers is something which we favour, and we support him for it.

Some hon. Members: Hear, hear!

Mr. Wilson: But we are still facing the major problem of interest rates. The average Canadian has suffered and will continue to suffer the most savage attack on his economic position than has been the case since the depression. There are 900,000 people unemployed, 8.3 per cent of the work force. Inflation still stands at 12.5 per cent and will be higher next year. While we applaud the fact that interest rates have come down as far as they have over the past couple of weeks, we still must acknowledge that interest rates at 16, 17 and 18 per cent, depending on who you are, are still far too high for the country to bear. They are far too high for home owners, small businessmen, and farmers.

Some hon. Members: Hear, hear!

Mr. Wilson: I cannot get away from the fact that the government is calling on these Canadians, who have suffered so much over the past year and will continue to suffer over the next year, to restrain themselves. Canadians are restraining themselves. They are forced to restrain themselves when they themselves are facing $200, $300 and $400 per month increases in their mortgage payments, or know someone who is experiencing that. They are restraining themselves because they cannot do anything else. Canadians who face 50 per cent increases in the cost of gasoline, heating oil and natural gas are restraining themselves because they must. Yet the government has the effrontery and the arrogance to come forward and increase its tax take by $1.5 billion, on top of the 22 per cent increase in spending which it has put forward this year. It is an incredible thing to ask of Canadians at this time. There is no compassion on the part of the Minister of Finance, no understanding of the problem, and certainly no honesty in presenting such a budget to Canadians tonight.

Some hon. Members: Hear, hear!

Mr. Wilson: I listened very carefully to the budget speech. I listened carefully to the attention that the minister was paying to the state of the economy today. I do not know where the minister has been for the past two months beause the state of the economy today is in as bad a shape as it has been since the depression. Whether it is in B.C. with the pulp and paper industry or in Newfoundland with the fisheries or manufacturing in Ontario, the retail store, the construction industry, the housing industry, the automobile industry—every part of the country is suffering from the state of the economy today. That is why we have 900,000 people unemployed.

• (2110)

I listened carefully for the discussion that the minister was going to put to the House on the plight of the unemployment in this country. I believe I am correct in saying that I think he used the word unemployed or unemployment twice during the course of his speech. Successive Liberal governments have ignored the problems of the economy. That is why we are in the state we are in today. I am afraid, Madam Speaker, that the Minister of Finance has again ignored the state of the economy.

Inflation at 12.5 per cent continues to face this country today, Madam Speaker. That is three or four percentage points higher than it is in the United States. The consumer has been hit very hard by the increase in the inflation rate. The mortgage renewal problem affects the spending of all Canadians, and everyone knows how it affects other people in the country. As an indication that there is no understanding of the problem there is the fact that the economic statistics in the budget are totally out of date; they are two months old. They do not reflect the fact we have unemployment of 8.3 per cent. The minister in his budget said that the rate of unemployment this year will be 7.2 per cent, but right now and for the period to this date, the rate is 7.5 per cent and the current figure is

8.3 per cent. I do not know where the Minister of Finance has been, Madam Speaker.

There is no attempt whatsoever in this budget to address the very serious problems of inflation and unemployment which exist in the country today.

I want now to return to the question of restraint, Madam Speaker. If we are to get anywhere with the battle against inflation, we must have leadership from government. That starts with the Government of Canada. For years individuals in the private sector have been saying, "I can do it but I would do it a lot better and I would feel much more commitment to it if the Government of Canada did it too." Instead, the government is sucking more money out of the economy by way of taxes and is increasing spending by 22 per cent.

I would remind the minister that it is possible to cut the rate of growth of spending. My colleague, the hon. member for York-Peel (Mr. Stevens) conducted a study which showed that spending could be decreased by $5 billion at a time when that represented about 10 per cent of government spending. That can be done, Madam Speaker.

What we have, however, is the waste demonstrated by three JetStars landing in Winnipeg within three hours of each other, or that advertisement, which I am told was placed in 100 newspapers across the country, extolling the great things that this government thinks it has done. That full page ad in *The Globe and Mail* took $105,000 worth of taxpayers money.

People in this country do not want that sort of thing, Madam Speaker. They want to see action. They want the government to use those funds, their tax dollars, in a more effective way rather than to blow their stack from the highest building. They want action, not a lot of talk such as we have had in these advertisements.

Let me refer to this very large amount of energy tax that the government will reap over the next five years. Where has the $55 billion worth of taxpayers' money gone when the government has to increase taxes over and above that amount? I hope hon. members opposite will answer these questions, Madam Speaker. Why do we need additional tax increases over and above the $1,400 per year that we will have to pay in energy taxes?

I must say that as I read the budget, I noticed some interesting elements. From time to time the Minister of Finance has said what a bad thing supply side economics is and that he would not have anything to do with it. I listened to him very carefully tonight when he said that it is important to reduce taxes because that will increase incentives and increase the desire of people to work harder and to create employment. I think we have finally got the minister converted to the benefits of supply side economics. Perhaps he should go down and speak to some people in the United States to learn a little more about it; but he is coming along well.

In this budget we observe that in a time of great economic hardship, a time when inflation is increasing at a rate of 12.5 per cent, there is nothing for pensioners. There is no energy tax credit to give some of that $55 billion back to those people who suffer so much from the high cost of energy. In the Year of the Handicapped, there is nothing for the handicapped person. There is nothing for single women between ages 60 and 65 who are suffering so much.

As I said in my opening remarks, Madam Speaker, there are some nice words but there is no attack on the fundamental problems of inflation and interest rates. There is no attack on the unemployment problem that is going to get far worse over the next few months as a result of the minister's budget.

This is the budget that was written two months ago and presented today when it is totally out of touch with reality. It is not a budget for today, it is a budget for last summer.

I should like to continue further with my remarks tomorrow, Madam Speaker, if I may call it ten o'clock.

I move now:

That the debate be now adjourned.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): In the circumstances, Madam Speaker, I move:

That this House do now adjourn.

Motion agreed to.

Madam Speaker: This House stands adjourned until tomorrow morning at 11 a.m. pursuant to Standing Order 2(1).

On motion of Mr. Pinard, the House adjourned at 9.20 p.m.

HOUSE OF COMMONS

Friday, November 13, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

INCREASE IN COST OF LIVING—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, since this Friday the thirteenth has brought Canadians yet another increase in the cost of living to 12.7 per cent, amounting to one of the longest spurts of double-digit inflation in Canada's history, and since the Minister of Finance (Mr. MacEachen) only last night forecast in his budget more double-digit inflation, and says that interest rates cannot come down as long as the cost of living is up, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the Minister of Finance make an honest statement at the earliest opportunity on how this government will take the lead in fighting inflation instead of punishing Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

CONDEMNATION OF PROVISIONS—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, whereas the Minister of Finance (Mr. MacEachen) has presented a budget which calls for an increase of 22 per cent in government expenditures, and whereas this budgetary document provides for tax relief for the rich, those persons earning over $100,000, and provides increased expenditure on defence and other things, and whereas this fraudulent document the minister has the audacity to call a budget does absolutely nothing for the poor, the pensioners and those unfortunate retired people, mostly women, who are currently living below the poverty line, and all this in spite of the fact that the cost of living increases month by month, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House condemn the Minister of Finance and censure the Minister of National Health and Welfare for failing to provide adequate or, indeed, any assistance for our elderly, our poor or for our retired citizens.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

EFFECT OF BUDGET PROVISIONS ON ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, under the new fiscal arrangements provided for in last night's budget, the four Atlantic provinces will receive $22 million less next year alone than they would have done under previous arrangements. By 1986 they will receive $86 million less.

An hon. Member: That is not true.

Mr. McMillan: Hardest hit will be P.E.I. and New Brunswick. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House condemn the Minister of Finance for completely undermining the economies of the have-not provinces of Canada with his budget at a time when they are already suffering severe hardship because of the federal government's mismanagement of the economy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

RECOGNITION OF ABORIGINAL RIGHTS—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, in view of the fact that all parties gave unanimous support last January for the inclusion of a clause in the Canadian Constitution recognizing and affirming the aboriginal and treaty rights of Canada's aboriginal peoples, and in view of the fact that this clause was dropped at the first ministers' conference with no public discussion and with no consultation with the aboriginal people themselves, I move,

seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That all members of this House join the Leader of the New Democratic Party in urging all of the provincial premiers and the Prime Minister to declare their support for section 34 guaranteeing aboriginal and treaty rights, and further, that all members of this House join me in signing a petition to that effect.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

REMOVAL OF DUTY ON PRODUCTS IMPORTED FOR USE BY THE DISABLED—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Last night's budget, so ably presented by the Minister of Finance (Mr. MacEachen), included a measure to assist a large segment of Canada's population, and this measure has gone largely unnoticed. The minister announced last night measures to provide duty free entry into Canada of products designed for disabled persons.

I move, seconded by the hon. member for Abitibi (Mr. Gingras):

That this House applaud the progressive—

I do not mean it in the way of the other side, but in the true Liberal manner.

—foresight of the minister in helping to make the lives of disabled Canadians somewhat less costly.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

EFFECT OF INTEREST RATES—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, in last night's budget the Farm Credit Corporation was allocated $50 million, or $160 per farm, to cope with the disastrous financial situation the farming community finds itself in. Today, interest rates amount on the average to $7,000, and in many cases interest rates are the largest single farming expense exceeding fertilizer and fuel costs. I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House condemns the Minister of Finance for his callous disregard of this essential part of the Canadian economy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

HOME OWNERS ASSISTANCE PROGRAM—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, a total of 12,500 home owners, out of a total of one million home owners faced with mortgage renewal within the budget time period as indicated last evening, will qualify for a once-only grant in the government's home owners assistance program. For the city of St. Catharines that means 15 families in a population of 125,000. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

● (1110)

That this House condemns the minister responsible for housing for holding out false hopes and expectations to the people of this country as they waited for the budget just presented, and that because of the little impact he has had on the formulation of the budget he do now resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

ABANDONMENT OF SERVICES—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, pursuant to Standing Order 43 I rise on a matter that is genuinely urgent and pressing. Perhaps it is fitting that Friday the thirteenth appears to be the last sitting day of the House of Commons before the date of the unparliamentary mischief planned by the Minister of Transport (Mr. Pepin) against passenger rail service in Canada, although I hope my motion will have more success than Friday the thirteenth might suggest.

On Monday not only will Canadians lose the Super Continental and the Atlantic Limited, two of the most popular trains in Canada, but coach passengers on the remaining transcontinental trains will also lose hot meal service and, of course, more railroaders will lose their jobs. Since it is now obvious that the minister's train plans, offering slower schedules, broken connections and cold sandwiches, are designed to discourage Canadians from using the remaining services so that more trains will be abandoned, I move, second-

ed by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That this House invites the minister to taste VIA's brown bag cold meal service, a sample of which is being laid on his desk—

Madam Speaker: Order, please. The hon. member is not allowed to exhibit any objects in the House of Commons. I would ask him, please, to get rid of that.

Mr. Blaikie: I will continue my motion, Madam Speaker.

—and, further, that this House urges the minister to rescind the order in council abandoning train services and, if he is too arrogant and stupid to do that, that at the very least he instruct the CNR not to go ahead with the planned scrapping of passenger equipment so that when his mistake becomes obvious, even to him, there will be coaches enough to run the trains again.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, last evening the Minister of Finance (Mr. MacEachen) delivered the most deceptive and deceitful speech this House has heard for a long time. He gutted the Small Business Development Bond program. He provided nothing but welfare to small business in trouble with high interest rates, if lenders will bail them out. Rather than help home owners he made sure that the big financial institutions will not bleed if they capitalize unpaid mortgage payments. I therefore move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That this House unanimously condemns the minister for his deception and deceit and directs the Prime Minister to demand his resignation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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WESTERN ECONOMIC DEVELOPMENT FUND

EFFECT OF BUDGET PROVISIONS—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of great concern to all western Canadians. In view of the fact that, under the provisions of last night's budget, financial commitments to the western economic development fund over the next three years were decimated and that the fund, which was intended to support development projects across western Canada, has, for all intents and purposes, disappeared, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That this House condemns the government for its obvious lack of understanding of western Canada and its total sell-out of its promises respecting western economic development as announced in the October 1980 budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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RESEARCH AND DEVELOPMENT

CONDEMNATION OF GOVERNMENT BUDGETARY POLICY—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, once again the federal Department of Finance and the minister have overlooked the long-term benefits that accrue from government support of research and development. Therefore I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the government be soundly condemned for not providing tax incentives which would clearly promote research and development and would have provided job security, new employment opportunities and subsequent economic recovery for Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

SUPPORT FROM "THE GLOBE AND MAIL"—MOTION UNDER S.O. 43

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise under the provisions of Standing Order 43. This morning's lead editorial in *The Globe and Mail* indicated grudging support for the budget introduced last night in this House by the Minister of Finance (Mr. MacEachen). Obviously this support comes as a shock to many hon. members on this side of the House but, in spite of the fact that this support has come from *The Globe and Mail*, I move:

That we welcome it and approve the budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INCREASE IN GOVERNMENT SPENDING

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. Last night's budget leaves Canadians with a sense of helplessness and frustration in their fight against inflation, high interest rates, and the recession that we are clearly in today. There is nothing in that budget to give Canadians any hope or sense of direction toward a solution of these problems. How does the minister justify a 22 per cent increase in government spending while calling on Canadians, as a principal theme in the budget, to reduce their spending, because this deceit destroys all confidence that Canadians might have had in the budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am surprised that the hon. member would use the words "helplessness and frustration" because they seem to describe more accurately his performance last night than the budget. The hon. member asked me to justify an increase of outlays of 22 per cent. I do not need to, because no such increase is taking place. If the hon. member did not rig an interpretation of statistics, he would not be using that fraudulent percentage increase.

JUSTIFICATION FOR INCREASE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I would like to quote from page 73 of "The Budget in More Detail," the paper tabled by the minister last night. Expenditures are shown at the level of $62,711 million in 1980-81 and up almost $14 billion to a 1981-82 figure of $76,565 million. I could send a calculator over to the other side of the House, but that is 22.1 per cent. I did not give an accurate figure, I rounded it down to 22 per cent. I again ask the minister, how he can justify a 22 per cent increase in spending when he is calling on Canadians across this country to restrain themselves, Canadians who are being forced to restrain themselves because of the high interest rates, the 50 per cent increase in energy prices brought in by this government, and a level of unemployment which is forcing people out of work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's question shows very clearly his confusion about economic policy. All in the same breath he is complaining about an increase in the rate of growth of public expenditures when the moisture on his lips had not dried from calling for expanded expenditures last night, just half a billion dollars in one shot, in the interest of restraint. I wonder when he is going to put his two conflicting personalities under control. Is he for restraint or for greater spending?

I want to tell him that the figure of 22 per cent is not correct. He is using the National Accounts, which do not net the petroleum compensation charge and the unemployment insurance contributions. Once that is netted out, the rate of expenditure is reduced to 16.3 per cent. If he will analyse that further, he will find that, apart from public debt charges, the total dollar amount that will be spent in the year to which he refers is less than the dollar amount forecast in the budget. If he looks at his statistics even further, he will find that the rate of growth excluding public debt charges is just about on target with the budget of last October. I invite him, if he intends to participate in this debate, to stay with an honest figure and not a fraudulent 22 per cent National Accounts rigged rate of growth.

Some hon. Members: Hear, hear!

• (1120)

REASONS FOR PROVISIONS IN BUDGET

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am amazed that the Minister of Finance would use the word "honest" after his display last night.

Some hon. Members: Hear, hear!

Mr. Wilson: I do not know how this minister can talk about ignoring interest charges—let us look at our expenditures while ignoring interest charges. Every other Canadian in this country has to pay interest and has to pay interest which has gone up to 25 per cent because of the policies that have been followed by this government.

Some hon. Members: Hear, hear!

Mr. Wilson: This budget has perpetrated a fraud on many Canadians, whether they are home owners, renters, small businessmen, farmers, pensioners, people suffering from the problem of urea formaldehyde, all of whom were led to believe that the budget would provide some response to these problems in return for the average federal energy tax of $1,400 per family per year over the next five years. Why has the minister designed a budget which is restrictive, which increases taxes, and which will force Canada more deeply into recession and more than one million Canadians out of work this winter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member again has put together a grab bag of items so that it is rather impossible to deal with them in any organized way. He asks how I can justify the budget. Let me deal with one aspect to which he has referred, namely, the assistance that we have provided to home owners.

An hon. Member: What assistance?

Mr. MacEachen: I thought that he would support that, because in a recent speech in New York the leader of his party called for assistance to home owners and he laid down several criteria. He said, "The assistance must be selective, it must be

temporary, and it must be directed solely to those in genuine need."

I believe I have gone even a bit further than the Leader of the Opposition by providing, not for the 12,000 mythical number of home owners that the hon. member talked about, but for every home owner in the country facing renewal problems who, on his own account, cannot handle the problems. That home owner will be helped by the program of the government which consists of a guarantee of interest deferral where that is appropriate, and consists, in other more difficult cases, of a subsidy of $250 a month, amounting to $3,000 a year, in the case of individual home owners.

An hon. Member: Right on.

Mr. MacEachen: That program, Madam Speaker, will discharge fully the commitment made by this government that no home owner will be put out of his home because of abnormal interest rates.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

HOUSING

EFFECT OF BUDGET PROVISIONS ON HOME OWNERS

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is directed to the minister responsible for housing. However, I should like to say to the Minister of Finance, as demonstrated by his budget last night and by his answers today, that he does not understand or appreciate what real need is all about.

Some hon. Members: Hear, hear!

Mr. McGrath: That is our problem, Madam Speaker. I should like to ask the minister responsible for housing—and I should say the minister irresponsible for housing—

Some hon. Members: Oh, oh!

Mr. McGrath: —given the fact the seasonally adjusted housing starts are currently running at 135,000, can the minister tell the house how this so-called mortgage interest deferral scheme, which is nothing but the graduated mortgage interest program now put in effect by the banks—it is not a new program—all he has done is dress it up with a new name, in a shameful attempt to deceive the Canadian people—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McGrath: That is what he has done. I should like to ask the minister how that can possibly help harassed home owners, because in actual fact people who will qualify for benefits under this so-called scheme will be worse off five years down the road?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would admit that the $350 million that is set aside to fund this program, which the hon. member says is not a new program and offers no benefits—that money is slated to assist those people who need help the most. That program, indeed, is a real benefit to the many hundreds of people who have written me in the last few weeks who definitely and directly will be assisted by that program. I would say to the hon. member with respect to his earlier analysis of starts, the seasonally-adjusted rates, I think he had better go back to his researchers.

• (1125)

Some hon. Members: Hear, hear!

EXTENT OF GOVERNMENT'S PLANS TO MEET NEEDS

Hon. James A. McGrath (St. John's East): Madam Speaker, I would suggest that the minister would serve the country well if he went back to being mayor of Scarborough, or wherever it was.

Some hon. Members: Hear, hear!

Mr. McGrath: He is applying a band-aid to an industry which is bleeding to death. With respect to their so-called solution to the rental crisis in the country, they will subsidize 15,000 units. At the same time they are wiping away MURBs and they are reducing social and co-op housing by 5,000 units. CMHC estimates that we will need 100,000 extra units next year to meet the crisis in Canada. The 15,000 will not even address the problem in metropolitan Vancouver alone.

Is this their final answer to the crisis in the country which is causing people to suffer financially, which is causing people to have no hope with regard to shelter, which is causing a labour-intensive industry not to be operating in a year when unemployment is over 8 per cent? Is this the minister's final answer? If it is, I suggest that the minister should follow the example of the Hon. Paul Hellyer when the government failed to respond to him ten years ago, and resign from government.

Some hon. Members: Resign! Resign!

Mr. Epp: Goodbye, Paul.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I realize the hon. member is having difficulties when he stands to criticize the government for attempting to direct assistance to those communities across the country which need it most, for example, to direct assistance to those communities with low vacancy rates. Our objective in the new program announced last evening, the front-end support for rental construction, was to bring those new starts to communities which need them. Many members on the other side, sitting around

the hon. member and in his own party, have on occasion, and repeatedly, said to the government that MURBs do not direct assistance to where it is needed. Hon. members of the New Democratic Party as well have said that MURBs are not effective to direct assistance to where it is required. I am afraid the hon. member will have to get together with his hon. colleagues on that side to decide what they really want us to do.

Mr. Nielsen: Scarborough needs you.

ATTEMPTS BY MINISTER TO ASSIST HOME OWNERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the minister responsible for housing. The good people of Scarborough have it hard enough; the last thing they want is him back as mayor.

Some hon. Members: Right on!

Mr. Broadbent: About two weeks ago, in a document signed by the minister, he pointed out that next year thousands of home owners will be faced with an extremely difficult situation. As for renters, if anything, with rent increases rising by as much as 100 per cent, the situation would be worse. Will the minister confirm that, as a result of last night's budget, with mortgage payments rising from $200 to $400, with the majority of those people who have to pay the increases being excluded from any benefit, and with his decision to increase the supply of rental units by only a pittance of 15,000 units over the next couple of years, the government's approach is totally inadequate? In short, will he now admit to the House that what he promised would be coming in the budget was not there when we saw it last night, and that he has failed as the minister responsible for housing?

● (1130)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I indicated to members of the House earlier this week that, in response to petitions brought to this House by members on all sides on behalf of people affected, I had answered each of those people who sought help. That involved thousands, as a matter of fact over 10,000 responses. I have a copy of that response with me today and I will make it available to the hon. member.

In that letter I indicated that the government's approach to the people who were experiencing genuine difficulty would be to respond to them first. That is what we have done in the program announced last evening to assist people who need help the most. It is an effective program.

I admit it is not the $1.5 billion program that the NDP asked that we should put into the economy; it is a $350 million program. That is a major introduction, a major commitment of this government to the industry, and I predict it will result in a higher number of starts next year in this country than there were this year.

MORTGAGE FUNDS MADE AVAILABLE BY BANKS

Mr. Edward Broadbent (Oshawa): Madam Speaker, in terms of dealing with the housing crisis as related to mortgages, we have not said that the taxpaper should bear that burden. We have said that the banks and financial institutions ought to bear their share of the burden.

Given that bank profits were up almost 50 per cent in the first nine months of this year for a total of $1.4 billion, could the minister explain to the House why the government did not restore to the Bank Act what used to be there and was taken out by the Liberals, that is to say, the principle that mortgages have to be made available by the banks at levels an ordinary family could afford? Why did the government not put that back in the Bank Act? Why in God's name did it not have the decency to bring in an excess profit tax for banks in the budget and at least use that money for assistance to home owners?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I will defer and refer that question to the minister responsible for finance. I should like to indicate that the financial institutions had already taken steps to assist Canadians. We have asked for their co-operation. We have asked, for example, at a meeting with them on Monday morning, that they co-operate with the government in expanding the steps they have taken to assist individual home owners faced with difficult times on mortgage renewals.

REQUEST THAT MINISTER RESIGN

Mr. Edward Broadbent (Oshawa): Madam Speaker, I urge the minister to read the budget address given by the Minister of Finance. What that address does is ensure that the Government of Canada is going to provide a guaranteed profit program for banks. That is what it does. The banks are not taking any risks at all, and the minister should know that.

In the last paragraph of this infamous document, the Minister of Finance said that as a result of the housing crisis—and that has not been changed at all by last night's budget—it is difficult to quantify the social implications arising from the stress and apprehension affecting home owners and renters. Those are the minister's words. It is clear from the puny and insignificant measures brought forward last night that the situation, far from improving, is going to get worse.

The minister has now seen what the Minister of Finance brought forward. Will he, in good conscience, now admit that what he was promising was not produced, and will he therefore submit his resignation to the government?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I must admit that I do not share the confidence of the Leader of the New Democratic Party in describing a $350 million program to assist housing as a puny response. I think that is a significant response. More important, I can assure the hon. member, and members on all sides of the House who have written me asking for assistance with genuine hardship cases—

and there are approximately 200 that hon. members thought would fall in that category—that those cases will be addressed by the mortgage renewal program introduced last evening. Further, hundreds and thousands of other—we calculate a range of somewhere in the category of 50,000 households—will benefit under that program.

* * *

LABOUR CONDITIONS

GOVERNMENT PLANS TO ASSIST UNEMPLOYED FIND WORK

Hon. David Crombie (Rosedale): Madam Speaker, last week I asked the Minister of Industry, Trade and Commerce what the government was going to do to help the thousands of people who have been thrown out of work as a consequence of lay-offs and plant closings across the country. The minister said at that time, and I quote:

> I think that my hon. friends should respond with a very positive note to the budget of the Minister of Finance, which is only a few days away.

We now have the government's budget, and we now know there is absolutely nothing in it of practical value for these people. More and more Canadians are being forced by the government's policies to look to a future without a job. I want to ask the minister once again what the government intends to do to get these people back to work.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think we should reject completely the unsustainable and inaccurate premise of my hon. friend's question. The truth of what I am saying is demonstrated with just three points.

First of all, the budget has a number of important measures aimed at helping small and medium-sized business, which is a major source of job creation and economic growth in this country.

Second, the change in the basis for the imposition of the federal sales tax from the manufacturing to the wholesale level removes the serious bias against Canadian-made goods in favour of imported ones. This in itself will have a major positive effect on job creation over a period of time in this country.

Third, the economic and industrial development strategy tabled yesterday produces a framework for federal government leadership and activism.

Mr. Nowlan: A farce.

Mr. Gray: It supports innovative and productive activity by the private sector in every region of Canada with tremendous opportunities for jobs and activity in the industrial and economic field for all Canadians, now and for many years to come.

IMPACT OF UNEMPLOYMENT ON FAMILIES

Hon. David Crombie (Rosedale): Madam Speaker, as I am sure the minister knows, the facts of the matter are that 88,000 jobs were lost in September and October alone. We now have 989,000 Canadians walking the streets looking for work. In Brantford, Ontario, hundreds of people were laid off at Massey-Ferguson and White Farm Machinery, and this week hundreds more have been laid off from Pullman and from Koehring of Canada. The impact on these people, their families and their communities, is staggering. I want to know, and they want to know, why that is acceptable to this government?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are very concerned about unemployment.

Mr. Crombie: Show it.

Mr. Gray: We take our responsibilities very seriously. If we had not taken them seriously, there would be no Massey-Ferguson operating at all in Brantford today. If we were not taking those responsibilities seriously there would be no White Farm Machinery operating in Canada today. There are people working there now who would have no jobs if it were not for our initiatives. We provided the basis for a strengthening and restructuring of these companies so that these workers will have jobs to come back to as the economy strengthens.

My hon. friend has not only missed this reality but it is typical of the way his party has missed the need for helping the economy, something which was recognized by the public in the last election.

Mr. Kempling: Run another one.

* * *

THE BUDGET

APPROACH TO SOCIAL BURDENS CREATED BY UNEMPLOYMENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Minister of Finance. The reality of the situation is that there are one million Canadians unemployed as of the middle of October, and there are many more unemployed today. Before this winter is through there will probably be 1.5 million Canadians out of work. The budget totally ignores the plight of the jobless.

When the minister was drawing up his budget did he consider the social burdens that would be imposed by this unemployment crisis, for instance, the increase in marriage breakdown, the increase in crime and violence, the increase in alcoholism and suicide? Did he consider these things, or did he, in fact, totally disregard them in the way that he totally disregarded the unemployment crisis in Canada today?

• (1140)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker, I certainly did consider the question of unemployment and the impact it has on the most affected, and on the economy as a whole. That is why I laid out a strategy in my budget which offers the only possible basis upon which we can resume growth and increase jobs. The main obstacles to development, job creation and investment in this country are high interest rates and inflation. That is why the first theme of the budget is restraint, in order to get interest rates down and to get inflation down.

Let me tell the hon. member through Your Honour that there is no hope—

Some hon. Members: No hope!

Some hon. Members: Hear, hear!

Mr. MacEachen: There is absolutely no hope—

Mr. Baker (Nepean-Carleton): It is a no-hope budget!

Mr. MacEachen: —there is no hope to get jobs and decrease unemployment in this country if we cannot get interest rates and inflation down. That is the purpose of the budget. I hoped it would sink into hon. members of the opposition that there is a link between inflation and unemployment. One day they raise hell about inflation, and the next day they raise hell about unemployment, and they do not yet understand the connection between the two.

Some hon. Members: Hear, hear!

QUERY RESPECTING JOB-CREATION PROGRAMS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, there is no hope for over one million Canadians who are out of work today because of the action or the lack of action of this government. The Prime Minister smiles through it all because he really does not care.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Miss MacDonald: The minister says he is out to fight inflation; but even today the cost of living has gone up to 12.7 per cent. It has gone up, and that means that people who, for instance, are unemployed or are on fixed incomes will have to pay 40 per cent more this winter for their home heating fuel. That amounts to $300 more for the average family, and $200 of that is in federal taxes. The minister, who used to care about these things once upon a time, is now personally out to victimize the jobless. That is what he is doing.

Is the minister satisfied that he has now condemned over one million Canadians to a winter of hopelessness because he has failed to address job creation in his budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I know that the hon. member is reading from the prepared script. She has made absolutely no connection between the answer which I gave to her and the subsequent question.

Miss MacDonald: Because you didn't have an answer.

Mr. MacEachen: If she had contested my assertion that the only way to ensure job creation in this country—

Miss MacDonald: Your inflation rate has gone up today.

Mr. MacEachen: —is to get inflation down, then I would be able to deal with her in a reasonable way. However, she has repeated her question in a separate way.

As the hon. member well knows, we have in place a number of job-creation programs which will be in effect this winter. The rate of unemployment projected this winter will be less than that projected last winter, for which we provided through very substantial—

Miss MacDonald: A million and a half Canadians unemployed.

Mr. MacEachen: —funding, through the community employment program and through the industrial labour and adjustment program. As I recollect, this winter almost $500 million will be available in these two programs in the field of job creation, which I regard as absolutely indispensable in assisting, particularly in the areas of high unemployment. However, the hon. member knows that that is not the permanent solution. The permanent solution—

Miss MacDonald: Is job creation.

Mr. MacEachen: —to our economic situation is to clear away the obstacles of inflation and high interest rates so that we can benefit from the undoubted capacity in the economy to grow and to develop jobs.

I draw the hon. member's attention to the document—

Miss MacDonald: Your figures are out right now.

Mr. MacEachen: —on economic development which shows that projects in the amount of $440 billion are ready to be put in place before the end of the decade in this country, Canada. That is the growth dynamic.

Miss MacDonald: What about this winter?

Mr. MacEachen: That is what will create jobs in Canada. The only way we can realize that opportunity is to be firm and get inflation down and get interest rates down, and that is what I am trying to do.

Some hon. Members: Hear, hear!

Miss MacDonald: Tell that to the unemployed.

TAXATION OF MIDDLE-INCOME GROUPS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is also for the Sheriff of Nottingham this morning. The budget speech contains a bald falsehood on page three. I would like to read it to the minister. It states:

Tax rates will be reduced for all taxable incomes over $11,120.

However, if we turn to page 32 of the document which is called "The Budget in More Detail", it shows that tax rates for those Canadians earning between $15,000 and $25,000 will remain exactly the same and have not been reduced at all. I would like to ask the minister why he presented the budget speech and a budget statement to this House which contained a falsehood of fact.

Mr. Nielsen: That's right, Allan.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is talking about falsehoods in the budget speech, and I hope that he will reflect and withdraw that comment. In the budget documents, without any effort to conceal, the progressive effect on the taxpayers of Canada is clearly established, first of all of the very major removal of tax benefits in the budget. I am very surprised that in all the questions, neither the Tory party nor the NDP party, the representatives of which formed a tag team on Canada AM, mentioned that this was a very forward step. However, that is all covered in the diagrams. Then we go on to show the impact of the tax rate reductions, and then we go on to show the impact of the continuation of indexation.

When one looks at all of these tables together, one will clearly see that the statement which I made in the budget speech is correct. If it is not correct, I will be very glad to withdraw it after I examine the figures.

TAX RATES APPLICABLE TO FAMILIES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have no intention of withdrawing the remark, because I think it is correct. I think the minister has misled the House, and I hope he will take the trouble to consider the matter. The statement says "tax rates". It does not refer to diagrams, and it does not refer to all the other foofaraw contained in the budget. It refers specifically to marginal tax rates. If the minister looks at it, he will see that the statement he made in the budget is not, in fact, true.

I would like to turn to another point, and my supplementary question concerns page four of the budget statement. The third paragraph states:

As a result of indexing and the measures I have announced, a typical family of four will be able to earn about $15,000 in 1982 without paying any federal tax.

I would like to ask the minister whether he regards a typical family of four as being a family where one of the spouses is not working. Does he not really think it is time that the budget reflected the reality of the twentieth century, that is, that men and women both have an equal right to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, I think that we all recognize that reality. It does not require a budget to implant that in my mind. It may require a budget to get it into the hon. member's head.

Miss MacDonald: Except for the Prime Minister.

* * *

SCIENCE AND TECHNOLOGY

SUCCESSFUL DEPLOYMENT OF CANADIAN DESIGNED ARM BY UNITED STATES SPACE SHUTTLE

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I would like to direct my question to the Minister of State for Science and Technology. This day marks an historic milestone in the continued co-operation of the United States and Canada in pooling their skills and technology in exploration of space. Today the remote manipulator system is being deployed on the United States space shuttle Columbia.

Could the minister tell us to what extent Canada's involvement in the design and construction of the remote manipulator system with the United States shuttle promotes Canadian space industry and Canada's economy?

Some hon. Members: Oh, oh!

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, I do not know why this question should cause some dismay opposite. I would have thought that all hon. members of the House would want to salute what has been an extraordianry day for Canada.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Okay, salute. Sit down; we salute.

Mr. Roberts: The latest information we have is that the Canada Arm has been deployed and is operating entirely successfully—

Mr. Nielsen: Send MacEachen up with it.

Mr. Roberts: —meeting all of the hopes that we had for it. We are very pleased, of course, with this development, not only because it marks the very significant co-operation between the United States and Canada in space, and we believe that that kind of international co-operation is a proper way of approaching space, but because of the tremendous economic advantages and technological spin-offs which will accrue to us as a result of the successful development of this arm, not only in the future sale—

Madam Speaker: Order.

● (1150)

[*Translation*]

THE BUDGET

HOUSING—REQUEST FOR ADDITIONAL AID FOR HOME OWNERS AND RENTERS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the minister responsible for housing, who said this morning he was very happy with the measures announced by the Minister of Finance yesterday. The minister has raised the hopes of many home owners and renters. This morning, however, some economists and a home builders' association pointed out that not more than 10 per cent of home owners faced with mortgage problems would be able to benefit from the measures announced. In the circumstances, is the minister prepared to remain committed to honesty, an approach which he has tried to put into practice in the past few weeks, and tell us whether an additional program will be submitted to help the 90 per cent who will not benefit from these measures? Could he also tell us what measures can assist renters faced with rent increases of at least 50 per cent in the coming year? I think that thousands of Canadians need to know this morning what the minister intends to do in addition to the totally inadequate measures presented yesterday evening.

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the budget documents tabled by the Minister of Finance last evening will indicate, number one, a new stimulus program, front-end assistance to spur 15,000 units of rental accommodation. That is in addition to the commitment of the government to continue with its Section 56(1) support of non-profit and co-operative housing projects which will be continued. The total of those used across the country in areas where there is an identified need of people who need that type of assistance will go a long way to satisfy the request we have annually fed into Canada Mortgage offices across the country and which we have responded to in those very difficult markets.

I assure the hon. member that when I meet with the minister for housing for the province of Quebec I will have the opportunity of learning from him where we can be most effective in targeting the assistance to which I have referred. This is an ongoing commitment of the Government of Canada toward assisting those people who first need help in what we appreciate is a downturn in the housing industry at this time.

[*Translation*]

INDUSTRY

INQUIRY WHETHER MEASURES PRESENTED IN BUDGET WILL REVIVE HOUSING CONSTRUCTION

Hon. Roch La Salle (Joliette): I wish to ask a supplementary question, Madam Speaker. It is clear that the minister already realizes the inadequacy of this measure. In any case, I wish to direct my supplementary question to the Minister of Industry, Trade and Commerce, who is aware that large numbers of factories have had to shut down, and he is also aware of the need to revive housing construction. I wish to ask him whether he could tell the House today if the measures presented yesterday are likely to benefit the housing industry which employs 33 per cent of the work force, considering the fact that the minister is aware of factory shutdowns in his province as well as mine. The situation is becoming increasingly urgent. I trust he will not merely repeat the argument put forward by the Minister of Finance to the effect that we must fight inflation and rising interest rates before we can make valid proposals, because for the past two years the government has been telling us that it has failed in both respects. So today—

Madam Speaker: Order!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, yesterday in his budget speech the Minister of Finance announced a special program that is to create 15,000 low-rental units. The purpose of this program is to support the construction industry and, also, through our programs, to stimulate industrial and economic development projects such as the KHD project in Montreal, which my colleague, the Minister of Regional Economic Expansion, and myself announced a few weeks ago, a project that will create 1,300 jobs in the Montreal area. It will also create jobs for the construction industry which will be building the factories required. Here are two examples of concrete programs to help the construction industry which were created by this government.

* * *

[*English*]

THE BUDGET

FEDERAL CONTRIBUTIONS TO COST-SHARED PROGRAMS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance, the minister of no hope. The minister in his budget last night, and I refer to page 6, made another deceitful statement when he said this: "federal contributions to the financing of provincial medical care, hospital care and post-secondary education programs" would not be affected. When we look at the detailed budget papers we discover that in 1982-83, next year, federal contributions go down $500 million, and the year after $915 million, by

eliminating the revenue guarantee and changing the EPF rules.

My question to the finance minister is this. Why has he attempted to deceive this House and the people of Canada by pretending that the contributions to those programs are not going down, when they are going down $1.5 billion over the next two years? Why is he doing that? Why is the minister cutting back spending on the sick, on the hospitalized, those in the dispossessed areas of Canada, and the students of Canada? Why is he doing that and then attempting to deceive the people of Canada by pretending he is not doing it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am glad the hon. member has raised the question because it gives me a further opportunity to state quite clearly that there is no intention in the budget to cut payments to hospital insurance, medicare or post-secondary education. The revenue guarantee is quite apart from that.

I can show the hon. member statements made by provincial ministers which show quite clearly that they have never regarded the revenue guarantee as part of the payments for these programs. Indeed, when the premiers met some time ago they released a statement showing their share and the federal share of these programs, and the revenue guarantee was not included.

The hon. member has an uphill battle if he is attempting to show that the elimination of the revenue guarantee affects these programs. I draw to his attention, for example, a table that appeared in the report of the task force of this Parliament which shows, and displays very clearly, the portion of federal contributions to the operating costs of universities, ex-revenue guarantee. They show the amount going to the provinces each year from the federal government without the revenue guarantee. That shows that, on the average, 60 per cent, and sometimes more, of the operating costs going to universities comes from the federal government. That is a pretty clear demonstration that the hon. member is off the mark.

QUERY RESPECTING FUTURE CONTRIBUTIONS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary is to the minister who is a deceiver, and not a very gay one. Look at page 49 of this document which shows a $915 million reduction for post-secondary education, medicare and EPF programs in the second year from now, and $500 million next year.

Money is money, and if you reduce your contributions to the shared-cost programs by $1.5 billion, no matter how you do it they lose $1.5 billion, and the poorer provinces cannot make it up, the students cannot get it, the sick cannot get it, and the hospitalized cannot get it. The minister has gutted the mortgage holders of Canada, he has gutted Mr. Gray, he has gutted the unemployed, he has gutted the housing industry, he has abandoned the sick, he has abandoned the dispossessed, and he has abandoned those who want an education.

Madam Speaker: Order, please.

Mr. Crosbie: Is he going to bring in another budget next week to try to—

Madam Speaker: Order, please.

Mr. Crosbie: When will he tell the people the truth?

Madam Speaker: Order, order.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member does not seem to be able to deal with the facts. He deals with rhetoric. Maybe if he had learned earlier to deal with facts he might not be where he is today.

• (1200)

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: The plain fact—

Mr. Crosbie: You lie and deceive them. That is why you are there.

Some hon. Members: Order.

Mr. MacEachen: Madam Speaker, the hon. member, when confronted with reality, has to lapse into brutal rhetoric and personal inferences, which is not becoming to this House of Commons, and I want to tell him that if he expects his questions to be taken seriously in the House of Commons he had better learn to stop larding them up with unacceptable personal references, and not attempt to conceal his lack of analysis by a plethora of unjustified rhetoric.

Some hon. Members: Hear, hear!

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[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Tuesday, November 10, 1981, and finds that they meet the requirements of the Standing Orders as to form.

Point of Order—Mr. W. Baker

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Ninth report of Standing Joint Committee on Regulations and other Statutory Instruments—Mr. Robinson (Burnaby).

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

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[*Translation*]

BANKRUPTCIES

TABLING OF REPORT ON INDEMNIFICATION OF EMPLOYEES

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, in accordance with Standing Order 41(2), I wish to table, in both official languages, the report of the Committee on Indemnification of Employees in Matters of Bankruptcy and Insolvency.

The committee was chaired by Dean Raymond Landry and also included Messrs. Ronald Lang, George Hitchman and Raymond Dufour. In tabling this report, I also wish to thank them for their excellent work.

* * *

[*English*]

FEDERAL BUILDINGS

HULL, QUE.—REQUEST REPORT ON LES TERRASSES DE LA CHAUDIÈRE BE TABLED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I am asking for the attention of the Minister of Public Works (Mr. Cosgrove) with respect to my point of order.

There were some reports in the press that there is now available a report on the condition of the ventilation of Les Terrasses de la Chaudière which was to be available to the public, a full report not only with the conclusions but with respect to the findings of the people who made that report. I wonder if that is available. This is a report which has been referred to publicly and I wonder whether or not the minister is prepared to table that report in the House of Commons, if not today then perhaps at the beginning of next week.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am sure that is not a point of order. However, I will take note of the representations of the hon. member and I will speak to him later this afternoon.

PETITIONS

MR. DOMM—EFFECTS OF HIGH MORTGAGE INTEREST RATES

Mr. Bill Domm (Peterborough): Madam Speaker, I am tabling in this House today a petition by 43 home owners, which was collected by the Peterborough local of the United Electrical Workers, who ask that the minister responsible for CMHC intercede to save their homes.

People cannot afford to face interest charges, having them deferred and compounded over a five-year period along with second mortgages and AHOP loans. They will eventually find themselves faced with first, second and third mortgages and owing more principal on their homes than they did when they bought them.

With respect, I table this petition and ask that you take it under advisement and respond. I am also providing a copy of this petition to the minister responsible for housing so he can immediately proceed to look into these 43 cases supplied by the United Electrical Workers Union on behalf of those people who are in danger of losing their homes.

MR. STEWART—EFFECTS OF HIGH MORTGAGE INTEREST RATES

Mr. Ron Stewart (Simcoe South): Madam Speaker, I have the duty to present a petition on behalf of my constituents of Simcoe South. The purpose of this petition, which was signed by 1,201 citizens of the Tottenham area, is to indicate to the government that mortgage interest rates are forcing them out of their homes and leaving them in dire straits.

The intent of this petition is to demand that the government lower its interest rates and develop a plan of action which will enable families to retain their homes. These petitioners hope Your Honour will find their petition in order and sense the urgency and desperation of their plea, and that you might use the discretionary powers of your office to allow discussion and referral to committee at the earliest possible moment.

MR. JOHN REID—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, I have the honour to present a petition signed by approximately 200 residents of the Sioux Lookout district and surrounding area protesting the cutback by the federal government of the subsidies to VIA Rail.

Some hon. Members: Hear, hear!

MR. NICKERSON—OWNERSHIP OF OIL AND GAS INTERESTS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, on October 19 I had the pleasure of filing a petition signed by over 1,000 people from my constituency which objected to the passage of Bill C-48 on the grounds that it would prejudice the settlement of land claims, block the evolution of responsible government and disable northerners in the development of their own economy.

Subsequently, an additional 109 people have signed that petition. They are from remote areas and their names were not available on October 19. Therefore, I would like to file with this House an addendum to that petition.

* * *

[*Translation*]

THE CONSTITUTION

RESOLUTION RESPECTING CONSTITUTION ACT, 1981

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after several consultations and especially after discussions with the representatives of the two opposition parties, it would seem that considering the agreement reached last week at the constitutional level, there is unanimous consent in the House for authorizing the Minister of Justice (Mr. Chrétien) to simply withdraw Motion No. 36 appearing under Government Orders, concerning the debate on the Constitution and on the Address to Her Majesty regarding the Constitution of Canada. Would you therefore please ask the House whether there is indeed unanimous consent for simple withdrawal of the motion?

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, such discussions have occurred and the official opposition, in a spirit of co-operation, gives that unanimous consent which has been requested.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I can also verify that discussions have taken place and that we give unanimous consent.

[*Translation*]

Madam Speaker: Does the House give unanimous consent to the withdrawal of this motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: In the circumstances, since the resolution has been withdrawn and is no longer on the Order Paper, I should like to determine the business for the next few days which might be of some help to my colleagues on the opposite side. We shall have four consecutive days of debate on the budget, that is, today, Monday, Tuesday and Wednesday, so that if there are subamendments and amendments, votes will be held Monday night and Wednesday night. Furthermore, by the beginning of next week, I shall be able to determine the business for next Thursday and Friday. Finally, the government intends to give notice very shortly of a new resolution on the Constitution, in view of the agreement concluded last week.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,500, 3,045, 3,176, 3,177, 3,178 and 3,179.

[*Text*]

GOVERNMENT RESTRAINT PROGRAM

Question No. 1,500—**Mr. MacKay:**

1. With reference to the government's restraint program for the fiscal year 1978-79 and 1979-80, by province and/or region and for Canada, what was the total reduction in expenditures for (a) terminations or deferrals of capital projects (i) Lethbridge Laboratory (Agriculture) (ii) Newfoundland Environmental Centre and Maritime Forest Research Centre (Environment) (iii) Vessel Capital Reduction (Fisheries) (iv) Defence Capital Projects (Defence) (v) Marine Program (Transport) (vi) Public Works Capital Projects (vii) Capital Projects (RCMP) (viii) Capital Projects (Penitentiary Services) (ix) Reduction in Capital Projects (National Harbour Board) (x) La Prade Mothballing (EMR) (xi) Salmonid Enhancement (Fisheries) (b) reductions in non-statutory contributions (i) Outreach (CEIC) (ii) Training Allowances (CEIC) (iii) Small Craft Harbours, reduction in assistance to recreational boating projects (Fisheries) (iv) New Horizons (National Health and Welfare) (v) Termination of Agricultural and Rural Development Act (DREE) (vi) Bilingualism Development (Secretary of State) (vii) Reduction in Financial Assistance to Local Airports (Transport) (viii) Canada Works—Economic Growth Component (Treasury Board Secretariat) (ix) Oil Import Compensation, Adjustment of Computation Method for Atlantic Tariff (EMR) (x) Reduction in Compensation for Waterfowl Damage (Agriculture) (xi) Contribution Toward Construction at Veterinary Universities Deferral (Agriculture) (xii) Grants to Universities for Water Resources Research, Termination (Environment) (xiii) Local Employment Assistance Program, Reduction (xiv) Young Canada Works (xv) Summer Job Corps (xvi) Industrial Training (xvii) Prairie Highway Upgrading (Transport) (xviii) Northern Highway Program in British Columbia and Alberta, Termination (DREE) (xix) Termination of Support for Land Registration and Information Services, Council of Maritime Provinces (DREE) (xx) Prairie Rail Branch Line Rehabilitation (xxi) Health Resources Fund—Deferment (xxii) Professional Training Program (c) reduction in levels of service (i) Management of the Radio Frequency Spectrum (Communication) (ii) Federal-Provincial Water Management Program (Environment) (iii) Regina Weather Office (Environment) (iv) Federal Facilities Clean-up Fund (Environment) (v) Forestry Research Station (Environment) (vi) Northern Road Construction-Reductions (Indian and Northern Affairs) (vii) Temporary Assistance Program (Fisheries) (viii) Offshore Surveillance (Fisheries) (ix) Ocean Aquatic Services (Fisheries) (x) Statistics Canada Survey (xi) Cape Breton Development Corporation (xii) Canadian Broadcasting Corporation (xiii) Urban Transport Assistance Program (Transport) (xiv) Canadian Transport Commission, Railroad Grade Crossing Fund (Transport) (xv) Space Lab-systems and Components, Reduction in Level of Activity (Communication) (xvi) National Museums, Reduction in Level of Funding (xvii) Canadian Film Development Board, Reduction in Level of Funding (xviii) National Film Board, Reduction in Level of Funding (xix) Hospital Transfers to Provinces (Veterans Affairs) (xx) Federal Loans to Provinces—Public Housing Loans (Urban Affairs) (xxi) Federal/Provincial Land Assembly Programs (xxii) Training Improvement Contributions (CEIC) (xxiii) Manpower Training Purchase Courses (xxiv) CHOICES (CEIC)?

Order Paper Questions

2. For the same years, by province and/or region, what (a) was the per capita reduction (b) were the reductions as a proportion of the national total?

3. For the same years, did the Atlantic provinces bear a disproportionate share of these reductions stemming from program changes and cuts?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Records are not maintained in such a manner as to provide an accurate answer to this question. The cost in manpower and time to undertake the very large amount of work which would be required to gather such detailed data as is obtainable for the period covered by the question, would be prohibitive.

DND PURCHASE OF NYLON CLOTH

Question No. 3,045—**Mr. McKinnon:**

Is the Department of National Defence purchasing taffeta nylon cloth from Consoltex Inc. for $467,536 and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services, on behalf of the Department of National Defence awarded three contracts for a total value of $467,536 to Consoltex Inc. for taffeta nylon cloth. The fabric is utilized during the manufacture of DND operational garments.

COMMITTEES OF THE CABINET

Question No. 3,176—**Mr. Cossitt:**

Was the Minister of Employment and Immigration appointed to serve as a member of the security committee of the cabinet and, if so, what are all of his qualifications?

Hon. Yvon Pinard (President of the Privy Council): See *House of Commons Debates*, appendix A, October 14, 1981. The qualifications required for membership in a committee are membership in the cabinet and designation by the Prime Minister.

Question No. 3,177—**Mr. Cossitt:**

Was the Minister of Energy, Mines and Resources appointed to serve on the security committee of the cabinet and, if so, what are all of his qualifications?

Hon. Yvon Pinard (President of the Privy Council): See answer to question No. 3,176 answered this day.

Question No. 3,178—**Mr. Cossitt:**

Is the President of the Privy Council chairman of the labour relations committee of the cabinet and, if so (a) did he replace the former minister of labour, the hon. member for Halifax (b) for what reason was the new Minister of Labour only appointed a member of the committee rather than appointed chairman?

Hon. Yvon Pinard (President of the Privy Council): See answer to question No. 3,176 answered this day. The chairmanship of a cabinet committee is not usually determined by a specific portfolio since the subjects considered by cabinet committees go well beyond the responsibilities of any single department. Exceptions to this general policy are the Treasury Board, whose president is provided for by statute, and the cabinet committees on economic development and social development, which under the policy and expenditure management system are chaired by the respective ministers of state.

Question No. 3,179—**Mr. Cossitt:**

What are the names of all committees and sub-committees of the cabinet and, in each case, which cabinet ministers sit as members and who is the chairman?

Hon. Yvon Pinard (President of the Privy Council): See *House of Commons Debates*, appendix A, October 14, 1981.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Honourable Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

• (1210)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, November 12, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government.

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, today is Friday the thirteenth, and there are very few Canadians who are feeling lucky. Many Canadians were looking for relief in the budget last night. They were looking for relief from inflation, high interest rates, the high cost of rolling over their mortgages into 19 per cent, 20 per cent and 21 per cent mortgages, the high cost of energy, as well as relief from the economic stagnation of the recession and the high unemployment we are facing today. It did not come. The average Canadian must continue to face the fierce attack by this government and its policies on his standard of living and on his personal budget. Every Canadian must continue to feel the emotional strain that is caused by the present great disruption.

Let us cut through the chaff and the double talk of last night's budget. What has happened to the average Canadian since this time last year? Interest rates have risen from about 13 per cent to highs this past summer in excess of 20 per cent. Those who have faced mortgage renewals have found it necessary to find $200, $300 or $400 to meet higher monthly payments, and this has caused sharp disruptions in their personal budgets. Energy prices are up 40 per cent to 50 per cent, and much of this is to provide additional federal taxes amounting to about $1,400 per family per year over the next five years. The total revenue this government is receiving from

Canadian individuals and businesses is now at its highest level as a percentage of the over-all economy since the Second World War.

This morning we were reminded again of the problems the country is facing with the announcement that we have an inflation rate of 12.7 per cent. In the budget Canadians were looking for some relief from inflation and high taxes, particularly the energy taxes which affect all Canadians, regardless of their income brackets. However, there was no relief whatsoever.

The government asks for restraint. Canadians are being forced to exercise restraint when the money is just not there in their personal pay cheques. The government is receiving new energy taxes as well as other revenues, but what is it doing with them? The government has increased its spending by 22.5 per cent this year and has raised taxes a further $1.4 billion.

Let me put that into some perspective because when we see such figures we sometimes lose track of what is happening. In the two fiscal years from 1980-81 to 1982-83, the government will increase its tax revenues by 43 per cent. That is the largest revenue increase in history. The government has said it would like restraint from Canadians. I ask Liberal members opposite, who in this country can get a 22 per cent raise? Who will be able to increase their spending by 22 per cent? What if the postal workers came to the President of the Treasury Board (Mr. Johnston) and asked for 22 per cent more income this year? Think of the reaction that would cause in the country today. Yet the government increases its spending by 22 per cent. The government has no regard for the impact of this on the rest of the country and no regard for how this affects other people's personal budgets.

What has the government given back to Canadians in the budget? We heard the minister responsible for housing bleating today about $350 million, but hold on; only $150 million of that $350 million has been committed. It has been committed over the period September 1 of this year to March 1983, about a year and a half, and $112 million of that will be going to 15,000 rental units when we need to increase rental housing by at least 100,000 units. The balance will be going to those who are hurt the most. It will provide for about 12,000 families, when the minister's own document says 30,000 to 40,000 families will be put into such a position that they will be paying 30 per cent of their incomes on mortgage payments.

Part of the program helps these people get further and further into debt by giving the banks the authority to increase these people's debts so that they can pay the banks the interest payments. That is a totally wrong way of facing this problem because it pushes Canadians who are hurt badly by high interest rates further and further into debt. That is why it is a wrong program.

The other aspect of the program is that it only affects home owners. There is a large number of Canadians today who are spending too much of their incomes on rental housing. That is because of the problems which have been created by a continually declining level of housing starts. That level has declined for five years in a row and has resulted in a zero vacancy rate, pushing rents up and putting Canadians into such a position that they are putting far too much of their money into rent as a percentage of their incomes. That problem was not addressed in the budget of last night.

We have heard much from the minister responsible for housing over the past two months. We have heard all about the great things done by the MURB program and how important it was that the government extend that program. Now the minister quietly drops it. What hypocrisy!

Canadian home owners and renters must feel very let down by this budget because for three months now the minister reponsible for housing has been saying that there would be help in the budget. But this budget has been a major disappointment. As my colleague, the hon. member for St. John's East (Mr. McGrath), and as the Leader of the New Democratic Party (Mr. Broadbent) have said, for that false promise the minister responsible for housing should resign. He should go back to Scarborough, but not as the mayor; I disagree with my colleague in that respect. I do not wish that on the people of Scarborough. I think the minister should go back and bury himself in Scarborough.

I would like to address some remarks to the members of the New Democratic Party because they have called for lower mortgage rates through a subsidization of mortgage rates by people who provide mortgage money. We cannot get away from the fact that the mortgage rate for one lender will be the same for all lenders, and much of the mortgage money in Canada today comes from pension funds, from credit unions and from insurance companies. Do members of the New Democratic Party want these people to subsidize mortgage rates which are high today because of ineffective government policy? Do they want pensioners to take cuts in their pensions because of bad government policy? Do they want widows who are benefiting from insurance proceeds to subsidize these interest rates?

What about members of credit unions who today are suffering from real financial difficulties, again because of the high interest rate policy of this government? Do members of the New Democratic Party want those credit union members to subsidize interest rates? There is only one answer to that question. The New Democratic Party is holding out a gimmick. It is playing with the emotions of Canadians who are very troubled and upset at the results of the interest rate policy of this government. They know it will not work. That policy is a fraud and it is dishonest.

● (1220)

The problem of high interest rates can only be dealt with by a real anti-inflation program that attacks the fundamental problems of inflation. That is what the broad majority of Canadians were looking for in the budget last night. Most Canadians knew there would not be something in the budget for them, such as people who have problems with high mortgage rollovers. However, they had hoped to see some help and direction leading them out of the problems they are in today. Unfortunately, that hope has been shattered.

Mr. Evans: Nonsense.

Mr. Wilson: I ask the minister's parliamentary secretary, what is in the budget that will lead to lower inflation? For the past three years the financial requirements of the government have been between $10 billion and $11 billion. They have been reduced somewhat; they are just marginally below $10 billion this year.

The minister holds out some possibility that in subsequent years they will decline further. However, it has been the same year in and year out: "Wait until next year. We are going to do it next year. We are going to reduce our requirements next year." They are sounding more and more like the Toronto Argonauts— "Wait until next year". Next year just never comes.

Let us look at what I mean by that statement. In 1968 the then minister of finance, Mr. Benson, said:

> We should not delude ourselves into thinking the choice is between policies of fiscal ease to counter unemployment or policies of fiscal restraint to fight inflation—

That was when the price index was at 4 per cent. A year later he said:

> I think the message of this budget should come through loud and clear . . . It is intended to show that we mean business in the fight against inflation.

Inflation then had increased to 4.6 per cent. In 1972 John Turner, the then minister of finance, said:

> I have had to resist a good many well-intentioned temptations lest I run the risk of firing inflation.

Inflation then was up to 4.8 per cent. A year later he said:

> This budget is aimed at reducing inflationary pressures in Canada and at offsetting the effects of past inflation.

Inflation that year was 7.5 per cent. A year later:

> Two digit inflation . . . is simply not acceptable to this government.

Inflation that year was 10.9 per cent. Just to draw my point out directly, that was the year John Turner said he was going to make a direct attack on government spending, and government spending went up that year 28 per cent, even higher than the 22 per cent it will go up this year. That was the year of the real attack on inflation in this country.

Mr. Malone: Wrestle inflation to the ground.

Mr. Wilson: As my colleague has reminded me, that is the year when the Prime Minister (Mr. Trudeau), I believe in my riding, said; "We will wrestle inflation to the ground." Another former minister said that "the effort to bring the rate of inflation down will go on unceasingly". That was said by Donald Macdonald in 1976. It did come down; it was then at 7.5 per cent. He went on to say the next year:

> Our first objective must be to maintain the underlying trend to lower inflation.

It was back up to 8 per cent.

> We are being held back by serious unemployment and inflation and we must do all we can to deal with them.

That was said by the Minister of Justice (Mr. Chrétien) in 1978. It was then up to 9 per cent. Last year at this time:

> The budget is designed to ensure a steady reduction in the rate of inflation.

At that time the rate of inflation was 10 per cent. As we all know from this morning's figures, it is up to 12.7 per cent. That is what I mean when I say we need to have a commitment to deal with the problem of inflation in a fundamental way, not deal with it in gimmicks that tend to buy votes in certain parts of the country so that people will not yell about it as much as they have. That is what we have to do. That is what is sadly missing in this budget.

To add insult to injury, in the face of the $55 billion increase in energy taxes in this country, we have seen the government increase taxes further in this budget by $1.4 billion. That is totally unacceptable, totally unnecessary and totally out of keeping with the times.

Since reading the budget, I have said that I believe it was written in September before we saw the impact of the high interest rate policies on the economy of this country, before we saw inflation bring in the highest level of unemployment we have seen for a number of years, a level of unemployment which will probably go higher, and an economy that is weak from coast to coast, from industry to industry. To bring in an increase in taxes faced with that reality means that the Minister of Finance (Mr. MacEachen) is totally out of touch with what is going on in this country.

More Canadians' earnings will, as a result of these vast tax increases, be spent by the government, not on job-producing expenditures like automobiles, clothes and household goods which we as individuals could make much more effectively, but on less productive items that will not create more jobs. The current recession, although it has already been severely hurtful as a result of high interest rates to date, will be prolonged, causing more job loss and human suffering.

It is incredible that this budget has ignored the economic weakness in the country today. There has been no attention paid to the plight of unemployed Canadians. There are no measures to turn the economy around. We have a restrictive budget when the reverse was called for. We have no vision for the future. There is no hope for Canadians facing the loss of a job. We have high interest rates, high energy prices and widespread weakness across this country.

The budget does have some minor programs for those already in real difficulty, but Canadians do not want handouts. They want opportunities. The greatest social security program of all is a job and peace of mind that inflation will not eat away at people's savings. This budget is lacking opportunity and hope for the future.

Two or three weeks ago the Prime Minister made an incredible two-faced speech to a group of Liberal supporters in Toronto. It was truly a disgusting attempt to deceive the Canadian people in the best Liberal tradition. Let us look at it.

The Prime Minister trotted out a series of statistics which showed that Canada placed fourth in a range of measures between 1973 and 1980. He drew the conclusion that that was

a good performance. Well, it was a lousy performancce. We ranked fourth during that period when all of our competitors adjusted to not just one, but two price shocks. It was a period during which two finance ministers, John Turner and Donald Macdonald, poured money into the economy to undo some of the problems they themselves had created. That in itself ran away from those problems and created the groundwork for the high levels of inflation we are facing today. If that is performance, the Prime Minister should go in for a major overhaul. The Prime Minister either does not understand, as he is too old, too tired to learn and should quit, or he does understand and should be sacked for the odious deception he is perpetrating on the Canadian people. Canada should have been far and away number one in that study. We ran away from our problems and tried to shield ourselves from reality.

● (1230)

The statistics that Canadians are interested in are today's statistics. There are between 900,000 and one million people unemployed. Interest rates have ranged as high as 25 per cent this summer. It is the highest interest rate of any of the industrialized countries in the world. Canadian interest rates are currently two to three percentage points above those in the U.S. Canadian inflation rates are three to four percentage points above those in the U.S. Canada is the largest single borrower in the world, looking for handouts around the world, save one, the United States, which is ten times bigger than Canada. Our standard of living has dropped during the period 1968 to 1980 from number three to number thirteen. These are the statistics which mean something to Canadians.

The Prime Minister should get his head out of the sand and into the real world and should not mislead Canadians by using these other statistics. The Prime Minister noted three times in his speech that the government deficit caused inflation.

Let me remind the House of what the Minister of Finance and other ministers said in 1979. They criticized us because we were too preoccupied with the level of the government deficit.

The Minister of Industry, Trade and Commerce (Mr. Gray), the then finance critic, talked about our doctrinaire Conservative fixation with the government's deficit. What a tragedy that this Minister of Finance did not have that same fixation, that same preoccupation with the deficit, when he came into office. If the minister had, we would not be dealing with the same high interest rates that we are facing today. Conservative members and editorial writers have been repeatedly stressing the dangers of increasing and persistent government deficits.

The Prime Minister said in his speech that the Cassandras, presumably the Conservative Party and the editorial writers, were wrong. He was right: we were wrong. We thought that interest rates might go as high as 12 to 15 per cent, not the 20 to 25 per cent range they have reached.

The Liberals have been playing with the money of Canadians as if it were monopoly money. The Prime Minister talks about the Liberal policies of compassion and caring. What double-talk! What is compassionate about policies that lead to interest rates of 20 to 25 per cent and 900,000 and possibly one million people unemployed?

The mortgage rollovers have resulted in a shock to people's personal budgets of $200, $300, $400 per month, and the minister increases taxes when they should be decreased because of the economy. The Prime Minister should listen to the Cassandras, the Conservatives and others, who warned them of these disasters. The Prime Minister should remember that Cassandra, although no one liked her, was always right.

The Liberals are learning after the fact what their policies have done. They have now been forced into illogical decisions. That is economic mismanagement. There is no other word for it. The policies of the 1970s and the inappropriate response of 1981 are leading Canada into a serious recession.

The Prime Minister ends his speech by saying that this Liberal government is true to the tradition of seeking the greatest good for the greatest number. This Liberal government has made an absolute mockery of the tradition of Edward Blake, Edmund Burke, John Stuart Mill and even Sir Wilfrid Laurier. The record of the past 15 years of Liberal government must make true Liberals sick. In fact, these governments have practised time-honoured but totally discredited traditions of socialism. Most thinking Liberals are now voting Tory.

Some hon. Members: Hear, hear!

An hon. Member: When will you speak to the budget?

Mr. Wilson: This did not all happen overnight. I am coming to the budget, Mr. Speaker. The truth hurts.

It is not just the policies of the Prime Minister and the Minister of Finance, but the policies of the previous ministers of finance, the Minister of Justice and Attorney General, when he was the minister of finance, John Turner and Donald Macdonald. It is a policy of a party which has gone rotten to the core, a party which has been buffeted from lamp post to lamp post like a drunk in a hurricane of economic disaster trying to steady himself, when the government does not have any economic base from which to start.

The lasting answer to inflation and recession is a commitment to productive economics, to establish once and for all the government's determination to devote sufficient resources to placing the Canadian economy on a firm, competitive and forward-looking footing.

There is a document in the budget called "Economic Development for Canada in the 1980s." It sounds good, but let us relate that to the real world. What has economic development done in this budget? The economic development envelope in the 1980 budget for the period from 1980 to 1984 would amount to $30.023 billion. In the 1981 budget this has been reduced to $28 billion, a drop of $2 billion or 6.3 per cent. So much for the commitment to economic development.

The western development fund has been axed. Farmers will receive some benefit through the broadening of the Small Business Development Bond for which unincorporated busi-

nesses will be eligible, but only in a very cautious way, and only for those farmers who are in financial difficulty. There is $50 million to help the Farm Credit Corporation reduce the interest rate, again only for those farmers who are in financial distress. That $50 million is a small pittance when it is spread among all the farmers in this country.

The small business bond has been extended for a year, but it is not the same small business bond that we have known in this House. It is to be used only for those small businesses that are in financial difficulty. The small business community has lost on the trade. The small business community will also receive the benefit of an increase in the ceiling for the low tax rate for small businesses. But what the minister gives with one hand, he takes away with the other hand because he reduces the effectiveness of that increased ceiling. Again, I believe that the small business community is behind on that trade.

Another element that will hit the small business community hard is the change in the rules for the investment tax credit where only 50 per cent of the investment tax credit will be available to businesses in the year of the investment.

An hon. Member: Capital cost allowance.

Mr. Wilson: Capital cost allowance; thank you very much. I will tell the hon. member what I am talking about. It is incredible to me that, during a period when businesses are suffering as much as they are from reductions in cash flow because many businesses cannot get credit and must put cash up front, the Minister of Finance this year chooses to introduce a change in the tax laws that will reduce the cash flow of the small business community and other businesses. It just does not make sense.

We looked for a change in the approach that the government has taken with respect to research and development. We were looking for some fleshing out of the commitment that the government has made to increase the level of research and development spending in this country to 1.5 per cent of the national income. But there is nothing in the budget illustrating any increase in the commitment that has been sadly lacking in the actual measures that will allow the country to achieve that objective. We all know that research and industrial strategy are essential to an economic and employment policy, yet the budget has no provision for investment incentives to increase research and development. The government is only paying lip service to research, as it has done in the entire area of industrial and employment growth.

● (1240)

The incentives for small business companies to participate more effectively in research and development just are not there. If we are to fight the problem of long-term inflation, we must see more incentive and a more meaningful approach by the government to encourage companies to build new products and to lower their costs through developing and building the products themselves rather than buying them from companies outside Canada. This is one key to reduce the level of inflation in Canada. Instead, the environment in Canada discourages investment in the country. It increases borrowing outside the country and the level of costs faced by the industrial community.

Next I should like to deal with the established programs funding which ties in directly with research and development. The budget pointed out that the funding of the established programs fund will decrease by about $2 billion over the next five years. It is only partly offset by tax increases to the provinces. It will lead to a decline in the quality of post-secondary education and an increase in bitterness and confrontation between the federal government and provincial governments. We do not need a decline in post-secondary education. We need an increase in the quality of post-secondary education which will lead to an improvement in our capacity to meet the research and development objectives and to meet the challenge of the high technology industry which is growing so quickly.

Another element which bothers me is that the government appears to be proposing to replace the EPF funding with grants on a per capita basis. This will lead to arbitrary decision-making on the part of the federal government on the basis of what it calls our national economic needs. It is a nice way of saying that father knows best—we will tell you how to run your university; we will tell you how many graduates you should have in engineering and computer science; we will tell you what courses to teach; we do not want to listen to what you understand you should have at the grass roots level to respond to the industry people in your region who are telling you what their requirements will be. The universities in the country have a better understanding of what is going on than the people in the federal government. The federal government does not have the same grasp as the universities at the grass roots to respond to pressures from people with whom they are dealing on a day to day basis.

Let us look further at the economic development strategy set out in the budget papers. For some time now the Progressive Conservative Party has been pressing to take advantage of the vast opportunities which are available in the country in major projects. We have a huge potential. I think it was in my first speech after the 1980 election that I referred to this vast potential. I asked the question whether it was opportunity or burden. If we manage the opportunity correctly, the benefits to the country will be immense. If we do not, the burden will also be immense.

In the document the minister tabled last night there is a very rosy picture of the economic development potential of the country. I should like to contrast that with the reality of the Cold Lake and the Alsands projects, projects which are on the back burner today. There is no commitment by the federal government to moving those projects ahead. There was no reference in the minister's speech to the importance of getting these projects under way. In addition, there have been two energy proposals by the federal government that are pushing 40 per cent of the drilling rigs out of the country, rigs which will be needed to meet some of the available major project potential.

I also contrast the schizophrenia of the government toward the Foreign Investment Review Agency, toward the role the National Energy Program should play, as well as toward the fight with the United States over our approach to American companies in Canada. These policies are turning off foreign investment at the same time as the program is indicating that we need large amounts of foreign investment if we are to achieve our potential. The loss of confidence has forced equipment, capital and talented people to leave the country at a time when the minister is tabling a document which indicates that there are $440 billion worth of possible major projects between now and the year 2000. I do not know how we will handle these projects with men, equipment and capital leaving the country. It just does not make sense.

There is another element which points to the schizophrenia in the government. Recently the Minister of Industry, Trade and Commerce referred to world product mandate; he has finally caught on. I believe I made ten speeches on this subject when we were in government. World product mandate is the ability of a Canadian company, a subsidiary of a United States company or of another foreign company, to have the total responsibility for a product line. There is one problem in Canadian companies achieving world product mandate. If the top management of the parent company, which, after all, makes the decision as to whether or not to give the mandate to the Canadian company, sees a government which appears to be opposed to the interests of foreign companies, sees a country with inflation running at 3 to 4 percentage points higher than its own country, and sees a continuation of the policies which have led to those problems, why would it give the Canadian company a world product mandate? This is a problem in achieving the economic development which we know is available to us.

Let me also contrast the document the minister tabled last night to the need for skilled people. The Minister of Energy, Mines and Resources (Mr. Lalonde) has shown no concern for the technical oil and gas people who are leaving the country, the enormous brain drain of people leaving the country to contribute to the Canadianization of Texas, of the Williston Basin and of Australia. Those are the concerns we have today, based on the reality of today which is not reflected in the government policies. They are different from the objectives and the goals which are set out in those economic development documents.

● (1250)

In this area of economic development strategy, let me caution the government to steer away from too great an involvement in the decision-making process on these major projects. Because of their size, each of them is a quasi-public enterprise and in many cases needs a government decision to permit it to go ahead. The size of the projects can lead to crowding out in the sense of pulling scarce capital away from other elements in the country. It can also lead to centralizing decisions to too great an extent so that the response to normal market forces is ignored by the decision made between management and senior government officials.

Let me also point out to the minister the potential imbalance that can come about in favour of these major projects, an imbalance that can lead to inflation. Because of the power of these major projects, this inflation will have an adverse effect on other industries in the country but will not have the same effect on the project itself because of its size and the particular deal that government might be prepared to enter into. We must be very careful about the inflation rate induced by these major projects. I think we have seen the best possible example of this in the last two or three years in Alberta, where inflation rates are running ahead of the rest of the country and make things very difficult for other industries trying to compete in the same marketplace.

I come to my last point on the crowding out possibility of major projects. I am not making these comments in a critical way but in a positive way to try to draw out some of the problems we may face. The capital flows that will be attracted by these major projects may tend to push up the value of the Canadian dollar. This happened in the late 1950s and for other reasons in the middle 1970s. What happens is that the value of the Canadian dollar is held up, and this forces a deterioration in the competitive position of other manufacturing companies in a different set of circumstances. That is what I mean when I say that these major projects can represent an opportunity or a burden. If we manage them properly and if we are responsive to market conditions and do not deal with the major projects in isolation from the rest of the economy, the potential of this country is tremendous.

We must take advantage of these major projects because since the last war they have been a major force in the economic development of the country. We must take advantage of them because they can lead to great technological advancement. What that means is that potentially we are exporters of this technology. One of the best examples of this is the oil sands projects. We are ahead of many other countries in what we know about oil sands technology. The government does not seem to understand that we can lose that advantage. Countries like Venezuela are anxious to import our technology, but if we start to slip and these projects do not go ahead—and one is completely stalled right now—we will lose that tremendous advantage.

We can increase our capacity and expertise in project management and this can help us throughout the world. We can upgrade the skills of Canadians in this country to meet the opportunities of the future. We can improve our balance of payments. Today we have a real problem with our balance of payments, and I want to come back to that in a minute.

Finally, Mr. Speaker, we can do great things for equalizing regional development in this country because many of these projects are located in the less advantaged areas of the country.

What we have to do when we compare the real world of today to that nice-sounding potential of the future is to question the competence of the government to implement and take advantage of the policies that will be necessary if we are

to move ahead on economic development in the major project areas.

I made reference to the balance of payments deficit. This year the minister's papers show that the balance of payments deficit will be $9.1 billion. A year ago the current account balance of payments was about $1.6 billion. In the two or three years prior to that it had been running at a level of about $4 billion. That is a major problem the country is facing.

I should like to draw the attention of hon. members opposite to a statement made by the Minister of Industry, Trade and Commerce when he was opposition finance critic. This is what he said:

> In his budget the minister mentioned only in passing a deficit which deserves as much and, in fact, more attention than the government's budgetary deficit, and that is the deficit in the balance of payments of our current account of international trade.

Apart from a reference in a table of figures, there is no mention that I could find in the vast number of papers set before us last night about the importance of this problem of a $9.1 billion balance of payments deficit. I should like to ask the Minister why that is so. I think I know why he has not proposed any action to face up to this problem. It is because the balance of payments is an enormous embarrassment to him.

In a question I put in the House I made reference to the huge outflow of private capital caused by the policies of this government, capital amounting to $8.4 billion, or five times the level of the average outflow during the 1970s. When you combine the capital outflow with the current account outflow, the figure reaches $17.5 billion, or nearly $1,000 for every man, woman and child in the country. That is a major problem for Canada and a problem for all of us, Mr. Speaker. It leads to an outflow of money from the country. The Bank of Canada has told us that if money flows out of the country the bank will either keep interest rates up in order to prevent that, or arrange to attract other money into the country.

We are all suffering from this problem because of the government's policy of maintaining high interest rates. That is why we should take this more seriously. That is why we have to be so concerned about the competitive position of this country which has deteriorated severely in the past year and a half.

Let me move to other proposals in this budget which I feel should have been there in order to encourage the productive capacity of this country, but before doing so, may I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): It being one o'clock, pursuant to Standing Order 2(1) I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Wilson: Mr. Speaker, when I completed my comments before lunch, I was discussing those things which I felt were necessary to lead this country to a reduction in the rate of inflation that we have today, and also to generate increased economic activity. What I want to come to next is the importance of savings and investment in this whole process.

I think that all of us feel that savings are the means by which we prepare ourselves for certain expenditures down the road, whether savings for making major expenditures while we are working, or savings which will prepare us for retirement, allowing us to retire in dignity and free from concerns about where we will be getting the money to look after our requirements. However, savings are a very important element in the economic development of our country because they do provide the money for investment and also for increasing the degree of Canadian ownership in our country.

In looking at this budget, I was concerned that there are no new incentives for Canadians to save and to invest in this country. There is no increase, as an example, in the amount of money individuals can put into a retirement savings plan or a pension fund. These were last increased in 1976. Since that time, we have had some 60 per cent to 65 per cent inflation in this country. Therefore, it is not only discouraging, not allowing individuals to set funds aside for their retirement, but it is also robbing us of the savings we will need in the country to produce the plants and equipment which will create the jobs to get us out of the economic malaise that we have today.

In his remarks the minister made some slight recognition of the importance of incentive through the lowering of the marginal personal tax rates. I applaud the minister for this, and I applaud the remark that he made in his budget speech when he stated that lower tax rates will increase incentives to work, save and invest. I only wish that previous ministers of finance had had that same attitude and had not run up the level of the tax rates in this country.

However, his other actions of giving with one hand and taking away with the other will antagonize those very same people—the creative people in Canada, the entrepreneurs, the job producers—and undermine the efforts that he wants to take to encourage them to work harder and produce more jobs in this country. I fear that the gesture he has made toward the entrepreneurs and toward encouraging initiative is little more than a public relations gesture. In the battle against inflation and against this recession we are in today, we must be encouraging the entrepreneurs, the risk-takers and the creative people to the maximum extent possible because they are the people who will create the jobs which will move us out of the recession we are in today.

The key to what I have been referring to over the past few months is productive economics and the generating of incentives to get the productive side of our economy moving.

Some hon. Members: Hear, hear!

Mr. Wilson: We must improve the productive capabilities of our economy by helping people to improve themselves and to upgrade their skills through training programs. We must help

businesses to become more competitive through encouraging them to expand their research and development activities. As I said a few minutes ago, there is not enough incentive in this budget, and there was not prior to it, to generate that research and development activity.

● (1410)

There are some broad statements in this budget as to the importance of trade, but again, as I mentioned before, we are facing a very serious crisis in this country with the size of the balance of payments deficit we have today, and apart from a general statement toward encouraging trade there is no acknowledgement in specific budget measures which will encourage trade through export promotion, and so on, in this country.

We must also do everything we can to improve and modernize our transportation systems, because with a country the size of Canada and with the distance that Canada is from our markets it is very important that manufacturers and others in the country bring those goods to markets as cheaply and as efficiently as possible. These are the programs that will help the country produce more goods and services in a more efficient and productive way. They help private individuals and companies create jobs and they help Canadians become more efficient and more skilled in their jobs. Productive economics will lead to an increase in productivity, lower costs, and therefore lower inflation, and through lower inflation, lower interest rates. A major drop in inflation and a major drop in interest rates is what this country needs the most.

Productive economics involves two other elements to be successful. It requires a commitment to encourage the private sector, and a positive attitude to see our business succeed. It also requires an understanding by government that too much government, either through excessive government spending, as we have this year with this 22 per cent increase in government spending, or an increase in regulation, which seems to be held out by this economic development plan presented with the budget papers, will inhibit productive economics from working.

The combination of this broad package of productive economics I discussed just now, plus the positive attitude toward private individuals, will give Canadians a sense of direction that has been missing in recent years. That combination will give Canadians the confidence to build their businesses and create jobs and opportunities for other Canadians. This may have some of the same ring as the minister's statements last night. They are both going in the same direction, but they do it in a different sort of way.

Apart from my comments on the lack of a visible commitment to achieve some positive result today when it is needed to fight the recession we have with us and to put some of those one million people who are out of work back to work, I want to draw the attention of the House to another distinction. Liberals today prefer to set the rules and intervene heavily in the decisions of entrepeneurs and risk-takers in this country. The minister clearly indicated that in the answer to some questions last night at a press conference I attended. The Conservative Party prefers to set the over-all environment, to establish the ground rules, and then encourage private individuals to get on with the job without a lot of government intervention and regulation. This is an important principle that we must establish here.

Whether the government uses grants or incentives, that method of participation is the key to whether or not we are going to succeed in the economic development of our country. Grants involve politicians and bureaucrats making decisions. They are arbitrary and they can tend to play favourites. They are slower because the whole government decision-making process by its nature is slow. It also results in more regulation at a time when the Economic Council of Canada has issued an extensive report calling for less regulation.

Let me also recall a story which was set out in a book recently about the *Wall Street Journal*. In 1976, sending out a questionnaire interviewing a number of key economic advisers to various presidents over the ten or 12 years prior to 1976, all of these key presidential advisers were asked what they would have done differently, in retrospect, to avoid the economic problems the United States suffered from in the two or three years leading up to 1976. There was absolutely no consistency in what the right solutions could have been, with one exception, and that one exception was that they allowed monetary policy to run wild during that period. Apart from that there was no consistency in the actions that should have been taken by the government of the United States.

The conclusion I draw from this is that if these experts did not know what should have been done to solve those problems after the fact, how can they tell us how to solve the problems before the fact? That is why I am so concerned that we not fall into the trap of having too much bureaucratic control over the economic development policies that companies should follow.

In its place I think we should encourage more incentives rather than grants; for example, having the government set the broad rules to let the businessman understand what the rules of the game are and then let the businessman go out and make his decision whether or not to take advantage of that incentive. It is a faster means of approaching problems and it provides for much freer choice. It also provides for the strengths that a series of decisions brings to the solving of problems as opposed to a concentration of decisions by politicians and bureaucrats.

Concentration of decision making, whether it is in the private sector or the public sector, or a combination, is bad, and I believe should be avoided in this country.

I do not want to dwell on this topic too long. It is an important principle and it provides a real distinction between the approach the Liberals or NDP would follow and the approach the Conservative Party would follow. But most important for us to understand here is that this is the key difference between the degree of success or lack of success that Canada will have in its industrial future.

Let me conclude my remarks today by returning to the themes from the budget, equity, restraint and renewal or growth. Having regard to equity, I ask Liberal members

opposite what is equitable, what is fair, in a pensioner losing his savings to the ravages of inflation? I have heard the Minister of Finance say a number of times in response to why there was no tax credit in previous budgets—I am sure he would give the same answer now—that he provided an increase in the guaranteed income supplement and therefore has looked after that problem. It does not look after that problem, Mr. Speaker. It addresses the problem for about a million and a quarter Canadians, but there are another million and a quarter Canadians who have been forced to see their savings whittled away by inflation, and there is another million and a quarter Canadians living below the poverty line. That problem has not been addressed by the minister in this budget or in previous budgets.

● (1420)

I believe it is wrong for the Minister of Finance to take credit for introducing the increase in the guaranteed income supplement, as he did last year. The Minister of Finance should be apologizing to those pensioners who, because of the inflationary policies of this government, are having to seek assistance from the guaranteed income supplement and also for having to increase the amount which was introduced last year. That is the problem in this country. The government takes credit for giving when it should be seeking the forgiveness of the people it has placed in the position they are in.

Returning to the question of equity, what is equitable about a farmer who is forced to sell his cattle to meet the bank's requirements? What is equitable about a home owner who is in a position totally beyond his control as a result of having to find $200, $300 or $400 or more a month to meet the increase in his mortgage payments by reason of a government decision? What is equitable about a small-business man seeing his business disappear in front of his eyes because he has to pay 20 per cent or 25 per cent interest rates? There is nothing so vicious or unfair as inflation and we have had far too much of it in this country.

Some hon. Members: Hear, hear!

Mr. Wilson: The next theme in the budget is restraint. I have dwelt on this theme at some length as it relates to the huge increase in spending by the government this year, a full 22 per cent. How is it equitable for the government to ask Canadians to restrain themselves when it has increased its own spending by 22 per cent? Canadians are forced to restrain themselves because of high interest rates, high energy costs and high inflation.

The final theme of the budget is growth. Where in the budget is the growth which will lead us out of the recession we are in today? Where is the growth that will reduce the level of unemployment from approximately one million and develop the potential of the vast resources of this country? The only growth I see in this budget is the growth in government, and we have learned from sad experience that this is the wrong path for this country to follow. Canadians are looking at the budget and asking themselves where is the hope and where is the path which will lead to a solution of the problems we face today. What is the direction the government will take? Canadians are losing pride in their country and losing faith in the future.

[*Translation*]

Mr. Speaker, this is a budget which continues the assault on every Canadian. It increases income tax for Canadians and does not offer any solutions for reducing inflation and unemployment. Each year during the next five years, every Canadian family will have to pay an energy tax of $1,400. At the same time the government intends to increase its expenditures by 22 per cent this year but there is no relief for the average Canadian.

And for this reason—

[*English*]

I move, Mr. Speaker, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That all the words after the word "That" be struck out and the following substituted therefor:

"this House condemns and rejects a budget which fails utterly to address or comprehend the recession facing Canada or to put any of the one million unemployed Canadians back to work, which offers no help to renters and assistance to home owners so meagre as to compel the immediate resignation of the minister responsible for housing, which provides a completely insignificant stimulus to rental housing construction, which fails to provide any relief from high energy taxes and which, while calling on Canadian businesses and individuals to show restraint, pumps up federal government expenditures by 22 per cent."

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair has received the motion and after consultation the Table finds it to be in order.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, recently I was in the frozen food section at a supermarket and a senior citizen who was looking at a number of packages of frozen fish fillets turned to me and said: "I wonder whether the store will let me take some of the fish fillets out of the package and buy them one by one because I do not think I want to buy the whole package right now." Mr. Speaker, as we carry on this debate, removed as we are from what is really going on in this country, we have to regain a sense of what exactly it is that this economic crisis represents for the ordinary Canadian. It is not simply a question of high rates or a crisis in investment in abstract terms, or a question of a varied series of statistics sometimes deceptively presented by the Minister of Finance (Mr. MacEachen). We are talking about a crisis in our economy which affects Canadians in their way of life, the way they respond to each other and their hopes and aspirations for the future.

When we debate this budget we are talking about our senior citizens, for example, hundreds of thousands of whom live on less than $6,000 a year. We are talking about families, many of them new to this country, some who have been here for generations and have worked and struggled hard. These people are not the ones who the members of the Conservative Party

might call the "creative élite" of our society, but they are creative enough. They are just the ordinary working people who are paying their taxes. They are the people who have worked and struggled either on the farm or in factories, mines or mills to save their money to buy a home. They have been told this last year that they will not be able to stay in their homes. Those are the people we are talking about while we debate this budget. We are talking about the hundreds of thousands of young people who are out of work and the tens of thousands more who will be added every month as a result of this budget.

• (1430)

We all respond with anger and concern, but the point is that it is not simply a question of another group of people who are in some abstract way added to the ranks of those people who are are without jobs. It is a question of young people coming out of school, some of them coming out of community colleges and some of them even coming out of universities who were taught, among other things—and certainly taught by their public leaders—that this was a good country and that this was a country to which their parents, their grandparents or their great-grandparents came and worked hard. They were able to buy homes and provide. These young people were taught that they would have jobs here in Canada. When they came out of school, even those who may not be in that élite to which the Tory party refers—just ordinary people looking for the opportunity to work—they look for the challenge, the joy, the humour and the fellowship which comes from having a job. They are looking for the pride and the sense of security which comes from being able to work and at the end of the week, two weeks or a month have a pay cheque, to say with a sense of satisfaction: "I worked for that pay cheque. I can buy something with it. I can get married because I have the security of that cheque. I can buy a house eventually. I can save and do something with the money I am working for."

That is a noble aspiration which hundreds of thousands of our young people cannot have because we have a government which has introduced a budget which does not take into account the tragedy of unemployment. This government has made a categorical decision and said that unemployment is less important than inflation. There is a phrase in the budget, either in the additional budget papers or the shortened version the minister gave last night, which says we have to wait for a while before we can resume growth. That is almost like saying, "The disturbance you are seeing is temporary, do not adjust your sets." Two years is a long wait without a job and without training. That is a long time to look for some hope for the future based, as it is, on the phony statistics of this government.

All of us in this House have an obligation during this debate not simply to talk about all the figures as they balance out on the charts and the diagrams to which the minister referred today. He said that perhaps he will have to change his diagrams. The minister does not have to change his diagrams. The minister has to change his policies so that he can respond to what is the deepest sense in the public today. People are looking for leadership which responds to their deepest aspirations. Our people are looking for leadership which understands that beyond all the legalities of the provinces and the federal government there is a people out there, the Canadian people, looking for leadership. They are looking for jobs, and they are looking for a government in which they can take some pride.

Some hon. Members: Hear, hear!

Mr. Rae: All of us in public life have an obligation to respond to that quest for a sense of public purpose. I will be going into the details of the budget in a moment, but the overwhelming impact of the budget is that it is an expression of defeat and bankruptcy. The budget, in affect, says; "There is nothing we can do. We do not have solutions to your problems. We cannot deal with the problem of recession." I do not think I am giving any secrets away when I say that when we were asking the officials about the budget last night, one of them said, "I am sorry, we cannot provide you with that answer because if we do this, that will inevitably happen, and therefore we cannot do it." There is an obvious answer. If the government opposite and the officials in the department who are responding for the government cannot give the answer and cannot deal with the problem, let them move aside and let somebody else drive.

Some hon. Members: Hear, hear!

Mr. Pepin: That is a *non sequitur*.

Mr. Rae: The Minister of Transport (Mr. Pepin) has been in office for so long he just assumes that if he cannot do it, nobody else can. We have seen the consequences, and the railway workers and railway consumers of Canada have seen the consequences, of that kind of attitude.

Mr. Pepin: Another *non sequitur*.

Mr. Rae: Let me give an example of what is really happening on the streets, in homes and in the factories of this country today. The minister can read about it if he likes. If he cannot see it or finds that he cannot move around enough to feel it and touch it, he just has to read the report of the task force on job opportunities. That parliamentary task force did an excellent job. One of the astonishing facts the task force pointed out is that 4.5 million Canadians are functionally illiterate.

One would think that a government which received that kind of bombshell statement would bring in a budget which would set as a great priority seeing to it that all Canadians can read and write well and have a chance to compete in a job market which is becoming much more ruthless than the one their parents knew. Does the Minister of Finance say that there will be a full scale frontal assault on illiteracy? Does the minister commit his government to full employment? Is the minister prepared to admit that the greatest problem facing the Canadian people today is the insecurity which is brought about because workers see their fellow workers being laid off? Some workers have been in factories not for five years and not for ten years but for 15, 20 and 25 years, and they are being

told, "Sorry, boys, the plant is closing". That is not simply a problem in the sense that unemployment means we will be producing less as a country or in the sense that we are falling behind in the competitive race with other countries—although it does mean that—but in the sense that it means tremendous personal unhappiness caused by that kind of insecurity.

I have talked about it, my leader has talked about it and it is worth emphasizing again and again: people have assumed—because they were Canadians, dammit all, and because they were proud of themselves, their jobs and their achievements—that they would be able to buy homes and that those homes would be theirs. They made reasonable plans on the basis of interest rates of 10 per cent and 12 per cent, and some even made plans based on interest rates of 14 per cent. They felt that if both mother and father and perhaps one of the kids were working at a part-time job, they could keep their homes together.

However, we now know that we are not talking about an economic system—the Liberal-Tory economic system—that gives people that sense of security. These are the parties which believe in private property. What more fundamental attack on private property can one imagine than rates of 22 per cent, 23 per cent and 24 per cent for first morgages? Those rates are not being compensated for in this budget. Those rates were the ones of last summer; people sacrificed everything in order to hang on to their homes at 24 per cent and they are getting absolutely nothing from the Minister of Finance.

The minister has a defence. He put it forward in his budget. His defence is inflation. He says he cannot do anything because of inflation. When I first came to this House three years ago, I directed my first question to the then minister of finance, who is now the Minister of Justice (Mr. Chrétien). That day interest rates had gone up from 9.5 per cent to 10.25 per cent, and at that time the rate of inflation was 8.9 per cent. He said there was nothing he could do, that the Americans were doing this, the dollar was doing that, it was impossible; the problem of inflation had to be combated and the only way to fight inflation was through high interest rates. We had an election. The Tories were very critical of that interest rate policy. They promised they would bring it to an end.

● (1440)

The hon. member for St. John's West (Mr. Crosbie) became minister of finance and the rates went up and up and up. Four times they went up. The hon. member for Windsor West, now the Minister of Industry, Trade and Commerce (Mr. Gray), criticized, moaned and groaned as the rates went up over 14 per cent. He appeared on a television program on which I had the misfortune to appear at the same time. He said: "If the rates go over 14 per cent, I will resign." It is a pity they did not ask him the additional question: "What if you do not keep the promises on FIRA, will you resign then?" He would have said yes. He is a man of principle during an election.

The interest on the average consumer loan today stands at 21 per cent, 22 per cent and some at 24 per cent, if it was negotiated as recently as three weeks ago. Mortgage rates hover between 19 per cent and 20 per cent. Where is inflation? Inflation is at 12.5 per cent. Inflation has gone up almost four points since I asked that first question three years ago, and interest rates have more than doubled. The policy is, quite simply, a nonsense. It is one which does not make any sense. Ask the workers in Baie Verte, Newfoundland, who have been laid off. The mines have been closed even though they were making a profit. Ask the workers in the fish plants on the south shore of Nova Scotia, the miners, paper workers and fishermen in New Brunswick, the farmers and the businessmen in Quebec, the workers at Admiral, Inco, Massey-Ferguson, Chrysler and Stelco, the beef farmers in Owen Sound, the wheat farmers in Manitoba and Saskatchewan, the cattle ranchers in Alberta and the sawmill workers in British Columbia, whether the effect of high interest rates is to bring down inflation. Since the minister used this expression in the House, I think I can use it: their answer would be "Like hell".

The only thing those interest rates have done is to squeeze jobs out of the economy. The interest rate juggernaut swept across not simply Canada but all the western economy, bringing small business people to their knees, forcing thousands of plants to close in this country, making our manufacturing sector completely and totally uncompetitive in some regards, raising the price of food and products. The minister says that the interest rate policy is an integral part of their fight against inflation. The interest rate policy has jacked up inflation. The evidence is there for the minister to see.

Reducing inflation will take patience, persistence and time. The government is not going to wrestle it to the ground. Those who have to somehow prove their manhood in their verbal assaults on the mind tell us that is what they want us to do. The policy of the government on inflation is that in order to get the inflation rate down half a point or a point, they have to reduce the real economy to a desert. No doubt they will call that desert "peace" and claim victory over inflation. However, what is the cost to people, the cost to the real economy and to Canadians' sense that their economy and lives are something that they want to take pride in? Energy costs are rising by nearly 40 per cent a year. Food costs are rising dramatically because of changes in world patterns of consumption and demand. Much of our economy has ceased to be genuinely competitive because of the nature of corporate and government power. Where is their ability to administer prices? It is nonsense to suggest that the way to deal with this kind of inflation is through an interest rate policy of 20 or 25 per cent.

Those who live in poverty are not helped by this policy, they are damaged by it. Those who live on fixed incomes are not helped by this policy. Those who live on the margins of our economy who sometimes find a job and sometimes not because they do not have the skills or the training, who may be the wrong age, in the wrong class or have a disability—those people are not helped by this policy. This policy helps only a few people. It helps the wealthy savers and the banks. It benefits the banks at the expense of consumers, farmers, small-business people, home owners, and even benefits, at the

expense of the banks' own competitors, the credit unions and the caisses populaires.

There were three parts to the minister's budget. Like Gaul, it is divided into three parts. I wish the minister's gall was divided into three parts. Restraint: that is the cocktail party word for cutbacks, in case some are wondering what restraint means. It means cutbacks or hardships. Equity: the minister had nerve even referring to the concept of equity in this budget, but I will come to that in a moment. Renewal: renewal is the Liberal word for retreat. That is what this budget represents.

The minister talked about equity. Whose tax rates were reduced the most? Canadians earning over $100,000 a year. There are not many people in my riding earning that amount, but I am sure there are Canadians somewhere who earn that much money. They must be the ones who attend the dinners at which the Prime Minister (Mr. Trudeau) asks for restraint. Their marginal rate is cut from 43 per cent to 34 per cent.

What about the single pensioners over 65, over half of whom in Canada are living in conditions of poverty and tremendous difficulty? What kind of tax reduction did they get? Zero. Not a cent, not a nickel, not a dime from the Minister of Finance. The minister talks about equity. Equity is a fancy lawyer's word for fairness. Where the hell is the fairness in that? Where is their fairness in giving nothing to pensioners? There is nothing at all in the budget for pensioners.

Then we have the claim of equity, where the minister says they are giving a tax break and the press even reported it as a tax credit. The minister has taken up the lingo. People are willing to believe the minister. They want to believe him. He is the Tinkerbell of Canadian politics. People want to believe Tinkerbell. If Tinkerbell says it is true, it is going to be true. If we all wish it were true, the lights will suddenly come on and all the people will go back to work.

An hon. Member: Tinkerbell is a ding-a-ling.

Mr. Rae: It is utterly fantastic to claim that the tax measures in this budget are in any sense an exercise in fairness. Today I read to the minister a section from his budget talking about a typical family of four being able to earn about $15,000 without paying any federal tax. The minister took some affront when I asked whether he thought it was time that the government recognized that there are women in the labour force who actually think they should be there.

Let me give an example. I see the minister of mines looking up. She is responsible for the status of women. I would like her to have a word with the minister. Let me use the example of a professional woman earning $20,000 or $25,000 a year, single, with dependent children. What is her tax break? Her tax break will be to pay an extra $146 to the government. The minister was saying that there were tax cuts for all these people earning over $11,000. What about that person? The thrust of it is that married taxpayers who have an unemployed spouse will receive some extra money; but those Canadian couples by the hundreds, thousands and millions who are married and who both work, both playing an equal role in the home, both playing an equal role in the marketplace, trying to get a job, hold together and pay these 20 per cent, 22 per cent and 24 per cent interest rates, what kind of tax breaks do they receive? Zero. Absolutely nothing. The minister said he would introduce an equitable budget. There is no equity.

• (1450)

Another example, Mr. Speaker, are the Canadians who have emigrated to this country or who have been here five, ten or fifteen years, who have a mother or father they are supporting in Greece, Portugal, Italy or Pakistan. But for all the hundreds of countries that have benefited by their contribution to the life of this country, what is the fair contribution of the Department of Finance to fairness? It says there has been a little fraud here. Instead of punishing those who have committed fraud, the department is going to eliminate the possibility of making that exemption entirely.

Let me say to the minister that there is a Greek restaurant worker in my riding whose wife works and sends $200 a month to his mother or father living in Greece. That was the purpose of their emigrating to Canada. What is the size of his tax break? He loses a $2,000 deduction. His taxes could increase by $300, $400, $500, depending on his marginal rate. That is the real effect. It is so important, Mr. Speaker, that we must come down from this sense of abstraction of deficits and balances and numbers coming from here and there. They are important; they are part of what the grim science of economics is all about. But it is time we got away and asked what is the real social effect of a budget which says to a Greek Canadian he is second-class, which says to a new Canadian he is not as good as somebody who has been here before, that they can claim an exemption for a dependant but he cannot. The reason is that there has been fraud.

If there has been fraud, then let those who are guilty be punished. Since when did we in this country ever go in for the notion of collective guilt? Since when was that an aspect of the Canadian culture we are proud of? It is a disgrace, Mr. Speaker. It is not a major money-making thing. It will not gain any terrific revenue for the government. But at a time of economic hardship I think of my constituents and the city of Toronto and of the kind of niggling attitude that is created on the streets. We are trying to create a multicultural, multiracial Canada, Mr. Speaker. There is no such thing as a second-class Canadian. We are all boat people. We are all immigrants. If there are those among us who have committed a crime, then let that person be punished. If the government wants to tighten up the regulations, then let those regulations be tightened up. But let us not abandon the very essence of the notion that if you have a dependant you are supporting, just because that dependant does not happen to live in Canada you should not be regarded as some kind of second-class Canadian.

The unfair and absurd attitude of the government's policy is what has led the NDP to move an amendment to the Conservative amendment today. It will provide some grounds for debate and add additional grounds for concerns that have not

been entirely expressed in the Conservative motion. I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

> That all the words after "high energy taxes" be deleted and the following added thereto:
>
> "and, further, this House condemns the government for failing to provide any tax relief or pension reform for senior citizens; any help for Canadians living in poverty, fair tax measures for working women; for abandoning completely its election promises on foreign ownership, FIRA, and industrial strategy; for failing to exercise control over our financial institutions to ensure mortgage and interest relief; and for failing to introduce an excess profit tax on the banks."

I should like to speak to that motion in my closing remarks.

We come to the third theme of the budget, renewal, the Liberal word for retreat. I remember it vividly because it was toward the dying days of an election. When one is inevitably worried and is looking at the poll results, one thinks about his future. The Prime Minister, although he was leader of the opposition for that brief, glorious period, went to Toronto and spoke to the advertisement club. The *Toronto Star* had a large headline—the *Toronto Star* is sometimes unfairly called the Trudeau star—but I am not one to describe it that way. When the Prime Minister came to town that day he talked about foreign ownership and about changes that the Liberal government would bring to industrial strategy. There were very specific promises and commitments made with respect to FIRA regarding where it would be strengthened and expanded. It would deal simply not with takeovers but would carry out a comprehensive review of the role of foreign ownership and demand that multinational companies be assessed on a continuing basis for their contribution to the Canadian economy.

In the Speech from the Throne the Liberals said that this is what they would do. It was ambiguous, to say the least. We knew the retreat was on its way. But to announce, only two seats away from the patron saint of FIRA, that FIRA was being abandoned totally, and to say that this is an exercise in renewal, means that we have a new definition of a Liberal. It is one who does not know the meaning of embarrassment or shame. I cannot believe what the minister had to say when he said that this represents a renewal of Liberal policy. Listen to this renewal: "The special measures being employed to achieve more Canadian ownership and control of the oil and gas industry are not, in the Government of Canada's view, appropriate for other sectors". Why not? There is no explanation.

An hon. Member: Why?

Mr. Rae: They do not tell us why. I will come to why. Why is zinc and nickel shipped out of this country without being refined? I am thinking of one company in northern Ontario. Why are resources such as uranium or nickel sold? A pound of uranium or a pound of nickel sold is a pound of uranium or nickel gone forever, the same as oil. They are non-renewable resources. Inco did not plant nickel in the ground and reap it every year. It has been there for generations upon generations. I know the Tories do not like the NEP, but at least they can agree that what is true for oil should, for heaven's sake, be true for other non-renewable resources. Why not? There is no explanation. We are simply told that no legislative changes will be introduced to FIRA.

• (1500)

Mr. Baker (Nepean-Carleton): Suddenly it is good for us.

Mr. Rae: As the hon. member for Nepean-Carleton (Mr. Baker) just said, suddenly foreign ownership is good for us. Walter Gordon must be rolling over in the Commerce Court Building. Canada has historically benefited to a substantial degree from the application of foreign capital to our economic life. There is no mention of Watkins, no mention of the Gray report, no mention of research and development and its impact upon secondary industry, no mention of the fact that we have become a colony in our own land with respect to many of our resources. All that has been completely and totally abandoned. That is called Liberal renewal. It is more than chutzpah. It is an unbelievable expression of disdain for the intelligence of the average Canadian person.

I suggested to the minister three weeks ago that the budget would have to do four things. It would have to provide for action on interest rates. There has been no action on interest rates of any significance whatsoever. I suggested that we had to have real tax reform and tax relief, that we had to have measures on pensions, and that we had to have meausres to guarantee a continued level of social service spending by the government. The only action on interest rates has been to provide relief, not to home owners, not to tenants, but to the banks. The banks are supposed to bleed a little, in the words of the minister. Well, the plot thickens. There is no action in this budget which does anything other than increase the financial power of the banks, increase the revenue going to the banks, increase their ability to exact and enforce contracts on individuals who are in a completely unequal bargaining situation. When George Brown walks into the Canadian Imperial Bank of Commerce, he is not exactly looking at an oriental bazaar. He is faced with a contract. He cannot exactly haggle over the terms of the contract. It is written out and he signs on the dotted line.

Mr. Baker (Nepean-Carleton): Take it or leave it.

Mr. Rae: He takes it or leaves it. A mortgage is not a contract in the sense of a totally voluntary relationship between two people. It is something which is forced on people because of their economic situation. For the minister to talk the language of contracts, as if this were some kind of totally voluntary arrangement between two people who happen to meet in the street, is so absurd as to defy description.

The interest rate deferral scheme is a con. The interest rate deferral scheme is a fraud. It is a system of permanent debt which would be outlawed by any consumer protection legislation worthy of the name. If we had a minister of consumer and corporate affairs who was doing the job he is there to do, he would be calling in the heads of chartered banks and saying, "What is this? You expect somebody who has a $60,000 mortgage to pay $8,000, $9,000 or $10,000 per year in interest payments and at the end of the year owe $62,000! You expect

us to subsidize that and guarantee that kind of scheme! "It is unbelievable that that is the government's definition of interest rate relief. The minister said, "Well, it was recommended to me by the banks". Surprise, surprise! If the Solicitor General (Mr. Kaplan) was recommended a scheme of gun control legislation by the Mafia, would he be obliged to accept it? According to the minister, apparently yes.

Finally, our motion calls for action on an excess profits tax on the banks. This kind of well-meaning but hopeless volunteerism expressed in the budget speech of the minister is so pathetic as to defy description. Let us listen to what he said. One would think he was just some guy expressing an opinion, rather than the Minister of Finance of the Government of Canada. He said, "I want financial institutions, especially banks, to do more." Also he said, "I particularly want them to ensure that ample funds will be available to smaller borrowers at the lowest possible margin of cost over the rates which they pay to their depositors." Where has the minister been for the last 15, 20 or 25 years? What kind of well-meaning rotarian expression is this—"I want financial institutions, especially banks, to do more?"

Some hon. Members: Hear, hear!

Mr. Rae: If the minister wants the banks to do more, he has the means to do it. He does not have to get down on his knees in the House of Commons and ask in supplication for the financial institutions to bleed a little. What a pathetic statement of defeat! I think Canadians were expecting something a little different and a little better from the minister. He is somebody who has a long history of contribution to the country. He is somebody who comes from an area for which I know he has a deep feeling. I can only say to the minister that I am disappointed—not surprised—that he, his government and all supporters of the Liberal party on the other side, have become captives of an abstract economic theory. This theory bears no relationship to people. It hurts the average Canadian. It punishes the average Canadian. It provides a statement which will only lead to even greater hardship in the months and years ahead.

I said the minister was Tinkerbell. I meant that semi-seriously, because if we look at the end of the budget speech we will see:

> The key which can open the door to our future is a change in our attitudes and expectations.

All I can say is that that is a Tinkerbell kind of statement—if we all get together and really believe that inflation will come down, that jobs will be created tomorrow, or that interest rates will come down, if we close our eyes and wish ever so fervently, then it will happen; if we all wish that the banks just charge a little lower interest rate and give a break to small-business men, then magically it will happen. That is what I call Tinkerbell economics and Tinkerbell politics. It is a rejection of the deepest, most serious and most joyful aspiration of Canadians for an economy which is working, fully employed and truly fair, which takes care of all its citizens, however badly off they are, whatever colour or race they are, from wherever they come in the world. That is the vision the New Democratic Party is proud to offer to Parliament and to Canadian people. Those are the practical policies and the policies which follow from them that we will be putting forward when we are the government.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair finds the subamendment of the hon. member for Broadview-Greenwood (Mr. Rae) to be in order.

● (1510)

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, my first words in this debate are to congratulate my colleague, the Minister of Finance (Mr. MacEachen), on the measures which he has proposed in response to the economic circumstances in which the country finds itself today.

I wholeheartedly support his sensitive and sensible approach to the restoration of our national economic and financial well-being.

I particularly appreciate the minister's response to the problem which, as hon. members know, has recently absorbed so much of my time, energy and concern. I mean, of course, the assistance that will now be provided through the Canada mortgage renewal plan to those Canadians who are having the greatest difficulty in meeting their mortgage payments because of high interest rates which they must pay on renewal. These problems arise, not only because of the high rates but because the rates have risen so quickly, giving little opportunity for families to make the necessary adjustments in their household budgets. The mortgage renewal plan will give them the time they need to work out their own solutions.

I am most grateful, Mr. Speaker, to the many friends, in this House and outside it, who have expressed their concern about the unprecedented amount of public attention which has been directed toward me and my portfolio during recent months. As the minister reporting to Parliament for Canada Mortgage and Housing Corporation, I have been, quite naturally, the focus of feelings of anger and frustration among people who were in fear of losing their homes. Throughout that time, I have repeatedly given assurances that the government would abide by the commitment made in the throne speech, that we would, in the words of the speech, "—act to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure will be avoided."

I would ask hon. members to witness that my confidence in the Minister of Finance and my cabinet colleagues has been justified. We have kept the faith; we have kept that promise.

We have done exactly what we said we would do, and we have done it exactly as we said we would, by directing assistance to those most urgently in need of it and, again in the words of the throne speech, "—without the government embarking upon a major subsidy program."

I have been asked many times in recent weeks, and so have my colleagues, who are the people most in need of help, how will they be defined? The answer is now quite clear. Householders in need of help are all those who have to renew their mortgage at a rate that will take up an excessive proportion of their gross incomes. We are saying that an "excessive proportion of income" will be more than 30 per cent, paid out in mortgage principal, interest, and property taxes, with some allowance for condominium fees, where they apply.

These are Canadians who, because of the present level of interest rates, and their recent rapid escalation, will be faced with the necessity of making significant adjustments in their personal financial arrangements during the next year.

There has been a great deal of speculation as to how many households would be included in this category over the next 12 months.

Much depends, of course, upon what will actually happen to the level of mortgage interest rates. These remain painfully high, but have dropped considerably during the last month. Our estimates indicate that if mortgage interest rates over the next months were in the 20 per cent range there would be something, as I indicated this morning, in the order of 50,000 householders between now and a year hence for whom mortgage payments and taxes after renewal would represent more than 30 per cent of gross income. The great majority of these householders will have some equity in their home.

People who have a substantial equity in their home can make use of that resource to help themselves through this period of high interest rates. Several mortgage lenders have offered to defer interest payments—to allow borrowers to postpone the payment of interest and to add it to the principal amount owing. That, of course, is not a permanent solution. As long as interest payments are being deferred, the debt is increasing and is, itself, bearing interest at a high rate. It is a way, however, that some people would choose in order to reduce their mortgage payments. But this alternative is not offered by all mortgage lenders to all of their clients. Some lenders are not prepared to accept what they consider an additional risk.

In order to reduce the risk entailed by the deferral of mortgage interest for borrowers who have equity, the government is offering a guarantee. Where the home owner has an equity of 5 per cent or more in the home but is paying out more than 30 per cent of household income in monthly payments, the government will assist to arrange the deferral of interest payments by underwriting the deferred interest.

This guarantee will make it easier for the lender to offer interest deferral, in cases where the borrower wants it, in order to reduce the amount of current mortgage payments.

The special guarantee, however, will not address an even more difficult problem for other Canadians. Some of the householders whose debt service ratio will be over 30 per cent as a result of renewal, will have insufficient equity in their home. Interest deferral does not answer the problem faced by these householders who need it most. To increase their mortgage debt beyond reasonable limits would, in all probability, simply add to their problems in the future. For these householders we intend therefore to make grants in order to keep their monthly payments within manageable limits.

That, in essence, is the Canada mortgage renewal plan—a system of interest-deferral guarantees and grants. It is available to people who would be paying more than 30 per cent of income in monthly payments after renewing their mortgage. For people who have substantial equity, there is help in making an interest-deferral arrangement. For people who have less than 5 per cent equity, there are grants to bring their mortgage payments to a manageable level. The plan will be in effect for one year until November 12, 1982. It will be retroactive, applying to mortgages that matured on or after September 1, 1981. There is a limit of $3,000 per household, over the next 12 months, on the amount of interest deferral subject to the special guarantee, or on the amount of grant.

I should perhaps say a special word here about a group of home owners in which the government has a special interest, those who bought homes under the Assisted Home Ownership Program.

There are two types of AHOP participants. The first are people who receive outright grants. For these people, in order to bring them parallel to the plan announced last evening by the minister, the AHOP grants will be increased to a maximum of $3,000.

The other people are AHOP borrowers who received interest-reduction loans rather than outright grants. These people will be eligible for either deferral plan guarantees or the grant under the Canada mortgage renewal plan.

In the past few weeks and months I have met with many individuals and organizations to hear their representations and to seek practical solutions to the mortgage renewal problem. I have met with hundreds of home owners in Ottawa and different parts of the country, including the large delegation which assembled on Parliament Hill, and with my own constituents. I have met also with organizations of builders and lenders and representatives of the real estate industry.

I am appreciative of all these offers of advice. After much serious deliberation, the government has chosen a plan which is precisely targeted to people's needs and which does not put an excessive demand on public resources in a time of economic restraint.

The mortgage renewal aid measures will be given effect through necessary amendments to the National Housing Act which I will put before the House at the first opportunity. I am confident, given the urgency of the situation which the legislation addresses and the concern expressed in this House for the plight of home owners, that it will be dealt with expeditiously by hon. members on all sides.

• (1520)

In the meantime, the Minister of Finance will be reminding the mortgage lenders that the plan is retroactive and will apply to any arrangements they have made with borrowers during

the interim. In addition, officials of CMHC will be meeting on Monday with the lenders to discuss procedures and to enlist their co-operation. All of these measures are confined to home owners who are now renewing their mortgages or who will be doing this during the next 12 months.

I would not like to give the impression that mortgage renewals are the only difficulties facing the housing sector. There is a growing awareness of the needs of people who rent their homes and who, in many parts of the country, are having difficulty finding suitable accommodation at an affordable cost. In response to representations concerning this, I am very pleased that the government has made provision in the budget for interest-free loans of $7,500 a unit to assist in the construction of as many as 15,000 additional units. This would be affordable rental accommodation in areas where the shortage is most severe. About 5,000 of these would be available for low-income people through rent supplement programs which, with provincial cost-sharing, provide assistance geared to income.

I would hasten to add that these 15,000 new additional units, with a provision for low-income people, will be in addition to the 25,000 social housing units which will be supported under the popular co-operative programs that serve people of modest and low incomes. In all, when one combines them, 40,000 rental and co-operative units will provide suitable accommodation for people in the low, moderate and middle-income ranges.

In the next few weeks I intend to travel across the country to meet with provincial housing ministers regarding the application of the new rental program I have just described. A number of provincial governments have programs of their own to stimulate rental production, and provinces do participate in our existing non-profit programs. The new national program of interest-free loans is not being put forward to replace what the provinces are now doing. It is intended as an additional impetus to rental construction. It will be necessary for me to discuss the strategies with the housing ministers if we are to deploy the new rental program in the most effective way for all Canadians. At the same time, I intend to encourage the provincial ministers to complement our programs with any provincial initiatives designed to suit regional needs.

While we are concerned about measures to alleviate current problems, such as high interest rates and low vacancy rates, we should not allow ourselves to be distracted from our continuing attack on long-standing problems. I am thinking, for example, of our ongoing efforts to improve the housing conditions of native people and the rural poor. I am happy to be able to say that through our rural and native housing program we have been able to make very substantial improvements in the conditions of these Canadians in recent years, while attempting to assist them to achieve economic and social development. This program has been evaluated with the direct participation of the native people themselves. I hope that I will soon be in a position to propose innovations which will make the program more effective, efficient and equitable for all the people it serves. Improvement in this particular program has a high personal priority for me.

I would like to remind all hon. members that housing for some 400,000 households in Canada, almost 5 per cent of the existing housing stock, is provided in different ways by the national government under programs such as public housing, co-operative and non-profit housing. This includes housing for the elderly and for women raising families alone who could not otherwise afford to obtain suitable accommodation without depriving themselves or their families of other necessities.

There are, however, some limitations to the existing social housing programs of which I speak. Not everyone has access to the limited stock of social housing. Most of the housing provided through this technique is new, and consequently adds to the stock. That is an important advantage. However, the disadvantage is that it also adds to the difficulties of generating a sufficient supply of housing. If we relied only on this technique, it certainly would require a long time and costly expenditure to serve the needs of Canadians.

For these reasons, as many hon. members are aware, I have been turning my attention to additional ways of providing housing for people who are not able to fend for themselves. One approach is the idea of shelter allowances, giving people money to seek out their own accommodation in the market, rather than putting them into special, subsidized units. The idea is to provide assistance to people rather than to buildings. I have raised this idea on a number of public occasions; most recently, at the all-sector housing conference in March of this year. I have raised the idea with the ministers for housing in the provinces at our meeting in June.

There are many aspects to this system which require and are receiving further study, such as the effect of shelter allowances on rents, the question of quality standards, limits on unit prices, and many more. Overriding all other considerations, of course, is the question of cost during a period of serious economic constraint. Nevertheless, I intend to continue discussions with the provincial housing ministers on this subject. It is a matter which I am continuing to discuss with my cabinet colleagues, especially those with responsibility in the area of social programs.

I would like to speak for a moment about Canada Mortgage and Housing Corporation. CMHC is, of course, the agency through which all of this assistance is delivered. Its staff has a continuing role, not only in implementing government programs, but in helping to select and develop new measures, as we did recently. CMHC will, of course, act in the government's behalf in administering the mortgage renewal plan, as well as many other forms of assistance under the National Housing Act. I think it has been well recognized for some time that CMHC has been doing an excellent job, even though it has had to operate within a legislative and regulatory framework which has often imposed serious restraints on the way in which it does business.

As I have mentioned, I intend shortly to introduce amendments to the National Housing Act to authorize the mortgage renewal plan. At the same time, I will take the opportunity to propose other amendments which will assist first time home buyers by making possible more flexible mortgage instru-

ments, and will assist builders of rental housing by permitting higher loan levels. The mortgage renewal plan and the rental stimulus program that I have talked about today are addressed, of course, to the present problems arising from mortgage interest rates.

There are, as I have indicated, other problems associated with high interest levels. The treatment of these problems requires new mortgage lending techniques to which the present National Housing Act is ill suited. A wider variety of mortgage payment arrangements is called for to answer the needs of first time home owners and of rental entrepreneurs in the future. To insure such mortgages against different risks requires more flexibility than is allowed under the act. More flexibility is required with regard to insurance premiums, mortgage terms, payment schedules and procedures for claim settlement, all of which impinge upon the ability of the corporation to fund and to act. I will have more to say about these on another occasion.

In summary, I would like to commend to the House and to the people of Canada the plan offered by the minister last evening which will assist Canadians to cope with the problems associated with renewing mortgages at high rates of interest. The mortgage plan meets the essential requirements. First, it gives help to those who need it most. It gives people the amount of help they need to get them through the difficult times. It does all of this fairly and without adding to inflationary pressures through excessive and indiscriminate expenditure of public resources.

I would like to remind hon. members and the country that mortgage renewal problems, distressing as they are, are not the only housing issues we have to confront. Tenants have problems, and I will be exploring solutions to those problems in my discussions beginning immediately with provincial housing ministers.

● (1530)

I had made reference to our efforts on behalf of the native people and the rural poor, and, as I have indicated, that program has a high place in my priorities as the minister reporting to this House and the government for Canada Mortgage and Housing Corporation.

We are concerned as well with the needs of a large proportion of the population; women raising children alone, the elderly and the handicapped who cannot fend for themselves in the marketplace. We have made important strides in broadening our social housing assistance and making it more acceptable. As a result, for example, of representations made by the provincial ministers at the conference earlier this year, and as a result of the efforts of the handicapped during this year, the corporation has taken steps to make more available to the handicapped increased access to our social programs. These efforts, I am sure, will be reflected not only in improved living conditions for many Canadians but also in an impetus to the housing industry and in the creation of a significant number of new jobs.

In concluding I would like to reiterate my comments on the effect of the measures the government is taking. They will deal effectively and equitably with the problem of mortgage renewals. They will stimulate the production of rental housing, and, when combined with existing social housing programs, they will result in 40,000 rental units being supported by the government next year.

To achieve this, the government has allocated $150 million in direct expenditures next year for these initiatives, and a further $200 million has been allocated in the fiscal framework 1983-84 because of the special guarantee of interest deferral and other housing measures that may be required.

These figures are impressive, particularly given the over-all requirement for fiscal restraint, but they do not by themselves represent the full story. The federal government through its actions will cause a further $1.6 billion in private funds from the private sector to flow to the production of rental housing across Canada next year. This in turn will create jobs and will assist in improving the health of the residential building industry. I am not ashamed to say that this is done under a program which combines not only the government and the private sector, but the national government in co-operation with provincial and local governments and the private sector. They are co-operating in achieving these housing needs for Canadians.

We are all aware as well of the spin-offs from this massive investment; the multiplier effects the industry creates in other areas such as in home furnishings and in the appliance industry, all of which are presently in need of this stimulation.

The task remaining is for the House to translate the very obvious concern, which is taken for granted, and the expression of that concern from all sides of the House during the last few months, into action to assist Canadians who are being affected at this time because of high interest rates.

As I indicated, I will table a bill to amend the National Housing Act. The legislation is important. It will enable the government and Parliament to assist householders in renewing their mortgages through the mortgage renewal plan. It will enable the government and Parliament to assist first-time home buyers through modifications to the mortgage instrument, which, as I have indicated, are not now available in the present legislation. It will enable an additional stimulus to be provided to rental production by allowing CMHC to insure higher loan amounts on rental production. This demonstrates the interface of government with the private sector to the benefit of all Canadians.

I trust and pray that, just as my confidence in the government was vindicated by the government, so too will my confidence in the good sense of all hon. members of this House be vindicated by the speedy passage of this legislation, legislation which, as we all know, is sorely needed by Canadians at this time.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my first words on the amendment on entering this debate are spoken in terms of sorrow because I realize what has happened in these last few weeks. We have had a minister of the Crown, obviously sincere and obviously trying his level

best to grapple with the problems of housing, suddenly catching the can and having to take responsibility for fundamental policies of the government which have nothing to do with finding the solution to the real problems in Canada. I am very sorry that a fine, new Member of Parliament should have to undergo this. He wrote off his right to pity. I know, when he stood up and, in his opening remarks today, said: "I praise the Minister of Finance (Mr. MacEachen) for doing this to me; I am pulling the spear into my own chest." I do feel deeply sorry for any human being who has to carry the can on this particular isue.

What we are debating here is not just a budget. What we are debating here, in plain, blunt terms, is interest rates. We are suffering in a prison of myths started 40 years ago and carried on today by a small group of monetary and fiscal experts who have learned nothing in the last 40 years and have forgotten nothing. This whole debate hinges on the understanding we as Members of Parliament have of the use of interest rates. In the view of these experts, interest rates represent a tool of monetary policy, when in fact interest rates cause inflation. They look at interest rates as a tool to fight inflation when the truth is that interest rates cause inflation. That has shown up dramatically in the last eight or nine months with the housing industry and people who own homes being in the front lines. It has shown up dramatically in small businesses, and it has shown up in a dramatic way in big business, including great companies like General Motors, Ford, Chrysler, Massey-Ferguson, John Deere and a whole assortment of companies which operate on the technique of credit for production, for inventory and for distribution. The interest rate load has passed the boundary of economics, over the abyss and into the mess we are in today. This puts into perspective what this debate is about. Normally it is the budget. We have listened to our spokesman for the Conservative Party—who is another new member and who is equally sincere and who is trying to do his best to put into words what he felt should have been done in this budget. I think it was a credible effort for the first time he has engaged in the opening part of a budget debate. What he was trying to say, Mr. Speaker, was that the missing ingredient in this budget, during this economic cycle, was the primary objective of developing this country. Developing this country would not cause inflation. If we bring together our unused plant capacity and our unused labour supply with the great supply of cash we have in Canada through our savings programs, these great challenges which face us economically can become great opportunities. That is what the spokesman for the Conservative Party was saying.

● (1540)

The speech by the representative from the New Democratic Party was a demonstration of what a master of words can do in ripping a helpless government apart. The irony of it all is that this is the man who helped get this government into power. He helped to defeat a budget in 1979 which had some of the provisions which should have been in this budget. I could not help but think of the irony of it as I listened to his razor-edged remarks, cutting the heart out of the government members. He was one of the leaders in the movement to force the alliance between the NDP and the Liberals, who only had one objective, to get the Conservatives out of power. The good Lord, in His wisdom, is today dealing with these people in His own way.

This budget can be analysed very simply by asking yourself four or five questions. Did this budget provide a series of tax reductions for the things people need, want and would accept? Would this create a number of jobs which, in turn, would create a greater amount of tax revenue and help the government balance its budget over the next two or three years? Were there any tax reductions in this budget which met that criteria? There were six or seven of them in the Crosbie budget which the Minister of Finance (Mr. MacEachen) had so much sport with over the last two years. It is a case of one island guy buzzing another island guy. Was there any proposal in this budget to reduce taxes to get the economy moving and help the Minister of Finance balance his budget over the next couple of years? The answer is, yes, there was one. That one provision is for a reduction of gross taxes on income from that horrible high level of 64 per cent in Ontario and most of the rest of Canada down to 50 per cent. The maximum income tax of an individual in Canada, both provincial and federal, is 50 per cent. That is all the government will now take away from you, instead of the outrageous 64 per cent.

There was an editorial in *The Globe and Mail* this morning which stated that there are only 50,000 people in this bracket who will benefit, and I think that most of them read *The Globe and Mail*. Do we in our party say that this provision is bad? The answer is, no, because whether you like this provision or not, these 50,000 people who will benefit quite extensively—they already have a Cadillac and a house which is paid for, so they cannot spend much more—will put their money back in the investment field because they are the type of people who will do this. They are the ones who hopefully will create the jobs, and the record shows that they always do. This party, through the words of every member who speaks, will support this part of the budget and this, of course, is where we differ from the NDP. They want the tax raised higher on these 50,000 people who make $100,000 a year. They are against any person having that kind of income. They believe we should all be down at the same level in an egalitarian society where there is no ownership of property. That was clearly stated by the spokesman for the New Democratic Party.

I repeat that this budget does make one provision for tax reduction. However, if we review the Crosbie budget, we will note that there was a proposal to deduct interest on mortgages, a proposal to deduct property tax for home owners—the renter already has that type of thing. This was proposed in the Crosbie budget, and the Liberals and the New Democratic Party turned it down. The Crosbie budget proposed an energy tax credit wherein any person who made less than $22,000 a

year was not taxed at all on energy. This allegiance of Tweedledum and Tweedledee now results in taxing oil and gas and everything else. Gas is up by 36 cents to 46 cents a gallon. That is a measurement of what the present budget shows when compared with the Crosbie budget.

What I am suggesting, following the lead of the spokesman for the Conservative Party, is that there should have been a vast series of tax reductions in the budget, tax reductions for any person who would invest as an individual in ownership of this country, for any person who would invest in pipelines into the north, for any persons investing in a power grid from the Yukon through to the Hamilton River—now called the Churchill—tying up the great energy resources of coal to use thermal heat, the great power grid which made all this energy available across the country. I would like to have seen tax reductions to encourage the development of a system to move hydrogen across the country in a way similar to oil, gas or electricity. There was a task force report from all parties in the House which recommended this as a number one priority. The system of moving hydrogen is much the same as for moving gas except it requires twice the pressure.

I could go on and list a number of projects. We have the prairies which are full of great natural river basins which have been empty for millions of years. We have the facilities now available to store water in those great basins. This water could be transported across the prairies to make industrial development available at a lower cost than in any other country in the world, particularly in the petrochemical industry. I would like to see that water go back to its original channel from the prairies right through to Ontario and right across the northwest of Ontario where is used to run. It can be done. I would like to see a development on the east coast to take advantage of these tremendous iron reserves we have in Labrador and around Ungava. I would like to see a tremendous development in the Hudson Bay area on the Nastapoka Islands and the Belchers, where iron is 70 per cent, tied into the big industrial complex we have around the Great Lakes where there are millions of people. We could produce steel even cheaper than we do today, and our steel is the cheapest in the world.

● (1550)

I can see one project after the other—with the economics all worked out—that could have been started in this budget. We could have put our men to work, and people tell me that would not be a policy of restraint! Whenever you spend money to make money, that does not cause inflation. That is the only way to fight inflation. That money can be spent on potential things or on immediate things.

I have before me a chart covering the years 1953 to 1981, and what it is is the pulse rate of the nation. It shows the pulse beating at different rates for nearly 30 years, and as that pulse rate is beating, we can see the country growing or taking sudden drops. As I look at the last 30 years on this chart I see a drop on the chart as a result of the budget of Walter Harris in 1956. He used the same opening philosophy the minister used last night. I see a drop in 1959 under Donald Fleming. He made his budget presentation from the same seat occupied by the present minister. I remember that budget, and I remember how that policy was changed shortly afterward and how growth increased steadily for nine years without a break. Even when Walter Gordon brought in his budget, that made only a small tremor. Then there was the budget of Benson of 1968. We were going to wrestle inflation to the ground, but that budget sent us right down in one of the steepest drops we have ever had in our economic history. Once the country gathered itself together and fought its way up out of that, along came the 1974 budget of John Turner, after which there was a real drop. That was the time he double taxed by making the taxes of the provinces on the resource industries non-deductible. This country has never quite recovered from that double taxation of the mining and resource industries in the Turner budget of 1974. We have had stagflation ever since. Along with the United States, our country has been struggling to get going. All of a sudden we have this new budget. We are already into a recession and, instead of trying to do what the hon. member for Etobicoke Centre (Mr. Wilson), the spokesman for the Conservative Party, was saying, instead of trying to get outselves going, instead of getting up and taking advantage of the fact that there are men and women who need jobs and that there is lots of money available, if the tax rate is right, and instead of taking advantage of these great opportunities, the minister walked in here and repeated the same mistakes Walter Harris made in 1956, Fleming made in 1959, Benson made in 1968 and Turner made in 1974. The minister has turned this country downhill at high speed, with all the human suffering and frustration which will result.

We will get out of it, all right. This country is too strong even for politicians to push it around, but it is an unhappy time for me to go through this.

I say that this budget could be tested by three, four or five questions. I mentioned tax reductions, not just to please voters but to balance the budget by making more money available. That is a potential thing. I mentioned that the Crosbie budget had six or seven, and I will put on the record once again a reference to a special issue of "The Public Interest" in 1980. The article to which I refer is entitled "The Dissolution of the Keynesian Consensus", and it was written by James W. Dean. The article says:

> On December 13, 1979, the government of Canada fell. For just six months the Conservatives had governed with a parliamentary minority, and they were defeated on a vote of no confidence. The issue was their first budget—a budget that rejected Keynesian economic policies, replacing them with radically different recommendations. Unemployment and slow growth were to be fought not by increasing the federal deficit but by reducing it.
>
> This was a turnabout in what the Conservatives themselves had recommended when sitting in opposition just the year before. Their turnabout mirrored that of much of the economics profession throughout the English-speaking world. It was the decade's last dramatic reflection of a dissolving Keynesian consensus. This paper traces how that dissolution came about.

I put that on the record again to show that the intellectuals of the world recognized the significance of the Crosbie budget, even though we in Parliament did not at the time. It was the

first budget in the western world that deliberately tried to balance the budget by reducing taxes, and that is what the record will show over the centuries to come. One page of this morning's *Globe and Mail* was set aside for the federal budget. It says, "Little new spending in development strategy for the eighties." As *The Globe and Mail* read the development paper—and I read it too—*The Globe and Mail* does not see any new spending to make money in development in the whole decade to come.

The government had a great opportunity to pick this country up and to get it off this mythology of Keynes whereby the government frightens us with myths and bogey men that do not exist. One of the myths is that deficits are always inflationary. I have heard that for 25 years around here, and I simply say that deficits are not inflationary if the money is spent in productive enterprises. Deficits are not inflationary if the money is spent to make money. Deficits are not inflationary if the capacity of the industrial segment is available. Deficits are not inflationary if labour is available.

Surely the quantative evidence of the last 30 years should be listened to. More embarrassing still is another myth with which the government tries to frighten us, and that is that we have to have high interest rates in Canada so that money will not flow out. What a myth! Hon. members should look at the figures. Using just the number 2 to represent the total figure, in the last decade we sent out roughly $2 a year. What did we do last year after interest rates went up out of sight? Our export of capital went up from 2 to 10. If we were to add "billion" we would not be far out. High interest rates are supposed to draw money in, but the more we have raised interest rates in Canada, the more money has gone out—five times more.

● (1600)

I simply say that this budget fails in almost every test. I have not mentioned the transfer of social costs back to the provinces. Nor have I mentioned the question of indexing of income which is being done for one more year.

I want to conclude by stating those things in the budget that really hurt. I refer in particular to the minister in charge of housing, the Minister of Public Works (Mr. Cosgrove), the Minister of Agriculture (Mr. Whelan), the Minister of Fisheries and Oceans (Mr. LeBlanc) and any resource minister. The final question we should ask ourselves is, where are their precise policies to reduce interest rates on the fiscal side? The answer is just the opposite.

The poor housing policy just announced by the minister is simply putting off the problem of interest rates. They call it deferring it, which means adding it to your debt. Instead of paying it out over 25 or 30 years, it will be paying it out over 35 or 40 years. It is a life sentence. That is what it means.

The answer should have been what was proposed to the minister in the House last spring from this side. We should have applied the same principle of the small business development bond to several fiscal fields. If a person wanted to lend money for housing, the export industry, farming or any other form of activity which is productive, that person should not be charged tax on his income. He could then afford to lend his money to the productive industries at roughly 8 to 10 per cent and not be behind in the game. The government naturally would not allow the fellow who received that money to use his interest payments as deductions. Therefore, it is a fair balance.

That principle could have been applied to housing. Now with interest rates bouncing around 16 and 17 per cent, and they will soon be down to 13 and 14 per cent because the market is forcing them down, not the theorists, a man could borrow the money for half the rate plus one. No army of civil servants would be required. Let the Farm Credit Corporation and Canada Mortgage and Housing Corporation be the agencies to handle that requirement. Whatever route you work with, this could have applied to vast segments of our economy where there is a human need as well as an economic need.

These directions for industries related to homes, farms, the export business and small business would be able to make enough profit and expand to produce the jobs which are the big human need in Canada today.

When everyone is making money, the tax collector makes money. He will get back three times over what was put out originally. The tax collector would be the big beneficiary, but everyone would benefit. It would not be a case of one side winning and one side losing, what they call the zero sum society. It would be a modern society of common sense where everybody wins because everybody is participating in the common goal.

These proposals were all made by members on this side last spring. I thought the minister was listening. He spoke favourably of it. I thought the Minister of Agriculture was listening because he went out and talked the same. However, this budget has now cut the throats of these two ministers. They are destroyed. The man who really should be destroyed is the Prime Minister (Mr. Trudeau) who did not defend those two ministers in front of his own Minister of Finance, making certain that they were protected by carrying out in the budget what was promised to the people before this budget was laid down.

I wish there was another name in the amendment which the Conservative Party has moved. We are getting the guy who has to get the blame, but I think it is the wrong person. I want to conclude by saying in one sentence something I said before. This budget is not only wrong for this time of the cycle in Canada, it is a fraud on the Canadian people.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am very pleased to take part in this important budget debate now being held in the House. First of all, I would like to mention that during the past year, I was involved in two special committees of the House, one on North-South relations and the other on Federal-Provincial Fiscal Arrangements. I am glad to see that the government has made a thorough study of the two reports tabled by these two task forces and that both reports received the unanimous approval of all parties in the House, that is, of

the parties of the members sitting on these committees, and that the government has accepted the general principles and orientation of the two committees.

[*English*]

I am happy to see the hon. member for Erie (Mr. Fretz) in the chamber this afternoon. He was a very active member of the task force on North-South relations which I had the honour to chair. He was of great help in that process, as were all members of that task force.

I believe we have helped in the process of reform of this place which is so important to influencing government policy and giving a philosophical framework to the government, both in North-South and in fiscal arrangements. That will be very helpful to the government and the country. I mention that because on both issues we have a reaffirmation of the government's commitment, first to North-South relations and the development assistance budget of the government and also in the area of fiscal arrangements.

[*Translation*]

I was very happy to read in the budget speech made by the Minister of Finance (Mr. MacEachen) last night, that the government is now making concrete proposals on the renewal of fiscal arrangements for the period from 1982 to 1987. I find it gratifying to see the extent to which the minister used the report of the Parliamentary Task Force on Fiscal Arrangements in preparing the federal government's proposals. In fact, it can be said that basically, the federal proposals are in line with our own recommendations. The federal proposal is concerned with three distinct aspects of fiscal arrangements, that is, equalization payments, established programs financing and fiscal rationalization. This is more or less the order used by our task force in its report.

The conceptual framework we used, which may be found in chapter 2 of the report, identifies four basic elements with respect to the future of fiscal arrangements, that is, sharing of tax revenue by the two levels of government, economic and fiscal co-ordination, fiscal equalization and financing of provincial programs that are in the national interest. And here I am thinking more specifically of hospital care, medicare and the Canada Assistance Plan. Although the latter is not one of the programs identified under the EPF program, it is still a very important social program in our country.

To have an overview of the fiscal reality in our federal system, one must situate intergovernmental transfer payments such as equalization and EPF payments within the context of the public finances of each level of government. Since 1957, the federal government has more than quadrupled the fiscal space available to the provinces where personal income tax is concerned through the use of tax point transfers, which has enabled the provinces to finance their expenditures on health and education. The provinces have therefore received a larger share of the country's public revenue, and also more flexibility, because with the tax point system, the province is free to apply or appropriate these public funds as it sees fit. The provinces have become stronger financially compared to the federal government.

From 1959 to 1979, the federal share of public revenue fell from over 58 per cent to less than 46 per cent, while the share of provinces and municipalities rose from 42 per cent to 54 per cent. If one subtracts federal transfer payments and considers them as provincial revenue, one sees that the federal government's share of revenue, which was 52 per cent in 1959, is now less than 34 per cent of what it was in 1979. These figures tell us a great deal, Mr. Speaker, in fact they indicate that from the fiscal point of view, Canada is probably the most decentralized federation in the world, despite the fact that it is said that the federal government, especially under the present Prime Minister (Mr. Trudeau), has been a centralizing government. Not, however, Mr. Speaker, if we look, at the figures which show that since 1959, the share of total public revenue in Canada spent by the federal government dropped from 52 per cent to 34 per cent.

Therefore, on the basis of those facts a majority of members of the parliamentary task force on tax agreements concluded that it would be unwise to proceed with new transfers of income tax points as suggested by some provinces. Such transfers would indeed reduce the means available to the federal government to make sure that provincial involvement in areas such as health and post-secondary education are consistent with the achievement of major national objectives. Should some tax fields be taken away from the federal government, it would be unable to govern in the interests of all the people. In addition, new transfers of income tax points would reduce the capacity of the federal government to manage the economy and would favour the wealthiest provinces where the value of tax points is higher.

The government proposals to renew tax agreements do not provide for any new transfer of tax points and thus they entirely agree with the conclusions of the task force in connection with the sharing of tax revenues between the two levels of government. It should also be noted that neither the Minister of Finance nor the task force suggest a reduction in the tax fields granted to the provinces in the past two years. For example, tax fields granted to the provinces in 1977 cannot be patriated.

As concerns economic and fiscal co-ordination, the task force recommended that the federal government maintain the tax agreements while still requiring that they be subjected to the three principles outlined by the Minister of Finance in December, 1980. These principles relate to the administrative practicability of tax measures, the uniformity of the direct tax base and the avoidance of fiscal obstacles to the flow of capital between provinces. We also suggested the development of a fiscal behaviour code which, without preventing the federal government from stimulating economic development in have-not regions, would subject all governments in Canada to a

certain fiscal discipline. We also suggested the establishment of a federal-provincial committee of officials which would report periodically to the Minister of Finance on the state of the economic union. This committee would look into various matters of fiscal harmonization between the different governments and could consider drafting an economic behaviour code on taxation, spending and economic regulatory processes. The Minister of Finance's proposals on fiscal harmonization are very important, Mr. Speaker, because it is essential to maintain in Canada the principles outlined by the minister himself at the 1980 finance minister's conference. He proposes consultations with all the provinces, including those not included in the tax arrangements, to look into matters of fiscal harmonization and develop corrective mechanisms if need be.

This issue of fiscal harmonization scares many people because it is very complex, Mr. Speaker. But without any fiscal harmonization or co-ordination to ensure that all levels of government in Canada, both federal and provincial, will act likewise when the time comes to collect new taxes or to legislate in this area, there would be a tremendous jungle in Canada. What would happen is that the provinces would compete against each other for taxes and, as a result, someone who did not want to pay any taxes would not pay any anywhere in Canada. I am therefore pleased that the minister has accepted this recommendation of the task force on fiscal arrangements. The members of our task force can only be pleased with the minister's proposals because they are clearly made in the same spirit as our report.

• (1610)

[*English*]

We analysed very thoroughly the question of fiscal equalization. We made some important recommendations. That topic formed the highlight of our report. It is worth noting that members of this House, or members of a committee of this House from different political parties, are able to speak with one voice on the question of equalization, as this is the issue. Canada could not exist as it exists today without the concept and philosophy of providing an equality of fiscal capacity up to the national average for every province of this country. How could the provinces of Newfoundland, Prince Edward Island, Nova Scotia or my own province of New Brunswick, for example, provide the degree of social services they provide to their citizens without equalization? Without it we would have two or three levels of Canadians. That would be intolerable in this country. We proposed that the program continue as an unconditional transfer of resources to provinces that are below the national average in fiscal capacity per capita. We also said that a program of equalization which would measure the fiscal capacity was the best way to arrive at this objective of equality or of comparable services from one part of the country to the other.

With regard to the treatment of natural resources, we could not make precise recommendations because, at the time we reported, there had not been an oil and gas pricing agreement with Alberta, Saskatchewan and British Columbia. However, we recommended that decisions taken in regard to this question should be inspired by certain principles that we considered important. First, the receipts from natural resources should only be included in the equalization formula to the extent that they serve to finance what can be considered normal provincial services; second, that no special category of receipts or benefits from natural resources be excluded from the equalization formula, and that all receipts of this kind be included in the formula that established the entitlement to the have-not provinces; and third, it was important to have some kind of ceiling on the proportion of equalization entitlement to either the gross national product or to some other ceiling to protect the integrity of the federal treasury. It should be noted that many people do not recognize this need. I was struck, when listening to the debate in the House and travelling across the country with the task force, by the extent to which people do not realize that while equalization payments to provinces are calculated on the taxing capacity of all provinces, but influenced mainly by the rich provinces, all payments come out of the federal treasury. It is a unique program because it indicates that automatically, without questions asked and without regard to the moneys coming into the federal treasury, on the basis of the fiscal capacity of provincial governments taking 29 tax fields, the federal treasury should pay this out. It is a unique system. On the question of equalization it indicates that the capacity of the federal treasury at any given time should not be a factor which would deprive the have-not provinces of achieving an average fiscal capacity per capita. It is important to note that. We said it was an important principle. However, while it is pegged to provincial taxes or what happens in the provincial field, there should be some kind of ceiling to protect the federal treasury.

• (1620)

[*Translation*]

The task force considered that it was normal that the approach selected to deal with revenue from natural resources would result in a substantial reduction in equalization payments now being made on the basis of such revenue and that, as a result, Ontario's eligibility for equalization payments would be postponed for at least a few years. We also recommended abrogating the special provision on personal income, as a result of which Ontario is now excluded from equalization payments.

Those were thus the main recommendations of the task force. They are similar to the proposals of the Minister of Finance, because the minister, while wishing to retain the representative taxation system, proposes to change the present formula by broadening the fiscal capability measure on which it is based, and by setting Ontario's fiscal productivity as the norm for equalization payments. In addition, the Minister of Finance is proposing that municipal and local taxes should all be included in the equalization formula in order to determine the size of the payment to provinces receiving equalization.

[*English*]

I believe that adopting the Ontario standard as the minister proposed in the budget is equitable and fair. It prevents us from adopting the special discriminatory procedures or positions that we had last year to protect the federal treasury from a rampant increase in equalization payments because of something happening, for example, in the resource field. I believe that adopting the Ontario standard is fair. Considering that the decisions on levels of municipal taxation in Ontario are not in the hands of a single government but in the hands of an array of municipal governments, I believe it will turn out to be very generous for provinces that are recipients of equalization payments.

[*Translation*]

Concerning established programs financing, we made a number of very elaborate recommendations. These recommendations deal with the terms and conditions of established programs as well as their financing. On the terms and conditions of health programs, the task force recommended that after consulting with the provincial governments, the Minister of National Health and Welfare (Miss Bégin) establish clear health program conditions based on explicit criteria allowing their implementation to be monitored. We also recommended, in respect of the Minister of National Health and Welfare as well as the Secretary of State (Mr. Regan) and any other minister designated by the government, that there be an annual report to Parliament on the state of programs or on what the minister refers to as "national standards".

A comparison of the task force's recommendations in the areas of health care and post-secondary education show a striking similarity. The Minister of Finance (Mr. MacEachen) proposes that national health care standards be clarified and that an efficient mechanism be set up in consultation with the provinces to ensure that they be adhered to. Concerning post-secondary education, the minister proposes that new arrangements be worked out in consultation with the provinces, and in view of the fact that the minister asked for different treatment in cases where there is no post-secondary education agreement, it can be seen that the minister is getting near to our recommendation to separate the two, and hopefully in the course of these negotiations with the provinces, the Canadian government will show fairness in the areas of health care and post-secondary education in order that we have not only an agreement on the conditions of those programs, particularly on the matter of extra billing by physicians, but also an agreement on post-secondary education national goals and an agreement on the implementation of those programs and the way these terms and conditions will be interpreted in the future, because currently there is not even agreement on the interpretation.

On the issue of established programs financing, especially the federal contribution to health care and post-secondary education programs, and the treatment of part of the financing transfer concerning established programs, the budget proposes that it be abolished in the interest of restraint.

Mr. Speaker, it must be said that it was not quite what the task force recommended, but what did matter to its members was that there be—and this is my own interpretation—no real basic reduction from one year to the next. With respect to the growth of the federal contribution, as well as of the expenditures, that is to say in the programs administered by the provinces we agree that in the future adjustments may be made.

I am glad to see that the government has accepted that recommendation of the task force, namely to maintain the level of financing, because, as the minister said during today's oral questions period, although the elimination of the system of revenue guarantee will cost $914 million to the provinces in 1982-83, we must keep in mind that when the minister proposes to close the loopholes—

[*English*]

The minister proposed to close the loopholes in the tax expenditure accounts. This will have the effect of increasing the federal tax base or the basic federal tax. All provinces except Quebec use the federal tax base to establish their own provincial income taxes. They are a percentage of the federal tax. While this will cost the provinces $914 million in 1982-83 they will receive, because of the changes, $1,083 million more in 1982-83. They will receive more in this current year, or approximately $47 million. While the net effect will be a loss starting in 1983-84, in the aggregate for the next two fiscal years the provinces will not lose one cent from the elimination of the revenue guarantee.

One must say that the revenue guarantee is a very inequitable form of fiscal transfer. I can see that the revenue guarantee was necessary in 1972 to protect provinces against sudden changes in the federal tax base because of tax reform, but the provinces have had ten years to adapt their provincial tax rates. We must not forget that the revenue guarantee is one point of personal income tax and the rest is cash. It is very inequitable toward poor provinces. It provides more of a guarantee to the rich provinces than to the poor ones. I think the way the government is dealing with this is in the spirit of the task force report. It does not effectively reduce in the aggregate in the next two years the amount of money the provinces will receive from the federal government when we take into account the moneys they will have because of the changes to the federal tax base. It will not be redressed. There will be no $1.5 billion cut in the next two years. I see the hon. member for Nepean-Carleton (Mr. Baker) smile. The only reduction will be $1.9 billion out of total transfers of $104 billion over five years. When one considers the changes to equalization, bringing in the municipal taxes at the Ontario level, I am sure that in the case of the have-not provinces at least, there will be no reduction at all, even when the elimination of the revenue guarantee is considered.

• (1630)

I am waiting for the cash flow figures on the changes to equalization. If we look at the budget document entitled "Fiscal Arrangements in the Eighties" which was tabled last evening by the Minister of Finance we will see on page 45 that the estimates of equalization of payments under the proposed formula will go from $4.5 billion in 1982-83 to over $7 billion by 1986-87. There will be very generous increases, and it is estimated that the average annual rate of growth of equalization payments will be 11.4 per cent.

The elimination of the revenue guarantee, accompanied by an increase in the federal tax base, and the elimination of the tax loopholes that the minister proposed will bring more equity into the system, and the have-not provinces will be protected by an enriched equalization system because their tax capacity will be equalized after bringing in municipal taxes to the Ontario level.

Everyone knows that municipal taxes in Ontario are very high. In Newfoundland there are practically none; in New Brunswick they are very low; in Nova Scotia and Prince Edward Island they are way below the national average. The result will be that municipal taxes in the poor provinces will be way down compared with the national average, while in Ontario they will be way up. There will be a more generous equalization payment to the have-not provinces.

We must not consider just one proposal of the budget in isolation from all the others. The minister is proposing a more generous, equitable and just equalization system that will protect the poor provinces—I do not like the word poor so I should say the have-not provinces although in some cases they are richer than the others. Quebec and the others will be protected because the municipal taxes in Quebec are a lot lower than they are in Ontario. Quebec decided to structure its finances differently and increase school taxes, so property taxes there are lower than those in Ontario. By doing that, we eliminate a very inequitable form of fiscal transfer that was an automatic, unconditional transfer to the rich provinces as well as to the poor ones. Over the last quarter of a century we have established that the only unconditional payment to the provinces should be the equalization program. That is a different kind of program.

The rich provinces need money but they do not need it at a time when the federal government is in debt and has to pay 20 per cent of its budget for debt charges. The federal government not only has to look after things that come under federal jurisdiction, such as fisheries, defence, international development, foreign affairs, energy and transportation, but it must always keep in mind the dangers of developing what the Minister of Finance called last April "fiscal dualism". This is the case where rich provinces get richer and poorer provinces get poorer. That has to be a concern of the federal Parliament and that is why the elimination of the revenue guarantee, coupled with a very enriched equalization program to the Ontario standard with municipal taxes, will mean we will have a more fair system to protect have-not provinces and thereby have a better federation.

Some hon. Members: Hear, hear!

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, at a time when many feel we are sliding into a deepening recession, the Minister of Finance (Mr. MacEachen), instead of delivering an equitable budget, has presented much gloss and little substance as a prelude to his potential leadership of the Liberal Party.

Many Canadians may not think they are in for tax increases and they may be thankful for small mercies, but they should be made aware of the fact that the present Liberal government has once again shown little mercy by neglecting the serious economic problems facing Canadians today. This budget is merely a manipulation of wealth and very little else.

Once again we have here a budget which gives the impression that the government does not know what to do about the economy of Canada. Incredible expenditures have allowed pork-barrelling and the socialization of private enterprise. This represents the worst in public spending while it continues to discourage Canadians from investing in the future of this great land, with confidence.

This government that masquerades as a Liberal government is trapped in its own snare. After a decade of depending on Gallup polls for economic decisions and governing by them, it finds itself out of band-aids, as have other socialist regimes throughout the world.

There is no question that our economic problems can only be solved by common sense. The government has failed to do this. Canadians desperately want a definite sense of direction and a policy designed to restore confidence in our economy. We desperately need public policies which will achieve sound economic growth, improved opportunities for employment, and a climate of competitive free enterprise, and which will encourage Canadians to work and invest.

Canada is a country with enormous potential yet the government is failing miserably, in the economic policies put forward in this budget, to maximize the opportunities that face us. Hard-working Canadians have become frustrated with the widening gap between our known potential and the current uncertain economic reality. The federal government's high interest rates and high inflation is ruining individuals, such as farmers, businessmen, and home owners across this land.

There is no question that our priorities must be to reduce inflation and interest rates. The question is whether we should continue to follow the policies of this government which have caused the problems we now have. Because of these policies, we are now experiencing the worst inflation recorded in Canada since the end of wartime price controls. Throughout 1981 inflation has been in double digits, which in turn increased interest rates to unacceptably high levels. This situation discourages potential growth in this country and uncertainty discourages long-term capital projects.

Businessmen and farmers cannot operate under increasing debt repayment schedules. Home owners are losing their homes because of huge mortgage renewal increases. Through no fault of their own, hard-working Canadians face extraordi-

nary circumstances, all because of this and former Liberal policies.

The government is only paying lip service to reducing government deficits and reducing the inflationary pressures in the economy. The past spending policies to which this government is bound prevent it from effectively attacking inflation and high interest rates in an effort to change our destructive economic and social direction.

This trap, which is in evidence today in the demise of provincial government representation will either destroy Canada or the so-called Liberal party. The federal deficit has climbed to over $12 billion in the 1981-82 fiscal year.

Further confiscation and socialization under the catchy term "Canadianization" is undesirable and is wrong for our economy. Increased taxation as a means of improving a deficit caused by mismanagement is the wrong approach. New taxes on top of those imposed under the recent energy agreements will have a negative impact on risk-taking and investment.

Government restraint can be achieved only if genuine efforts are made to control public spending at the federal level if it does not renege on obligations to the provinces and local governments through transfer payment cuts.

● (1640)

It is politically popular to create new expectations for new programs, but people are now realizing that ultimately they pay dearly for these administrative jungles. These programs are expensive, and the money would be better left in the hands of Canadians rather than having Big Brother do it for them. Programs which are introduced must be assessed very carefully to determine if they are affordable now and in the future. The only way to ensure future affordability is to encourage a productive and growing economy which would in turn generate needed financial support.

The reduction of interest rates in the United States will benefit Canadians; but without government action here, a proper climate will not be achieved. Productivity will play an important role in raising our living standards, if given proper incentives. Co-operation in providing programs and incentives to train workers for new opportunities should be given a high priority. If we had trained people for new developments in such sectors as energy production, high technology products, biotechnology and the use of computers, it would greatly add to Canada's economic growth. Duplication and competition in the training of individuals should be avoided, and co-operation with the provinces should be a priority.

There is a need for government to ensure that the personal taxation system is designed to encourage effort, saving and investment. It has to be clear that government supports those people who are willing to devote their efforts and resources to helping Canada reach its potential. We should be neutralizing inequities in the taxation of capital gains, and providing a greater incentive to undertake necessary risk. It is wrong and makes little sense to tax gains which are solely attributable to inflation.

The business community must be given incentives for increased investment without government interference. Foreign investment, capital and expertise are needed for economic development over the next decade. Responsible foreign investment has built this nation and could continue to strengthen it if foreign investors are treated in a fair and forthright manner. Tariffs will continue to fall as a result of the latest GATT arrangements. Competition from low-wage countries and trading blocs is also intensifying. Over-regulation of private enterprise in Canada is just too burdensome. More than ever we need a new national economic strategy to combat inflation and encourage productivity and investment.

The lost time the federal government undertook to reach an energy pricing and revenue-sharing agreement with the oil and gas producing provinces has increased Canada's imports of oil, reduced international confidence in the economy and put downward pressure on the dollar, which is a major cause of double-digit inflation. The inability to deal with strikes such as that of the postal workers and grain handlers has contributed to a lower confidence in the Canadian economy. It is easier for politicians to grant increased social benefits without taxation than to pay as one goes. The fact is that people still pay. It is a well understood fact that the cause of inflation is irresponsible government spending which exceeds the real worth of production and services. The problem is therefore political.

Some 900,000 Canadians need jobs now and for the future. There is a strong need for a comprehensive Canadian industrial strategy in order to make the best use of our abundant supply of resources for the future. We need made-in-Canada solutions to made-in-Canada problems, many which were created by years of indifferent Liberal governments. Canadians need support and encouragement to lift them out of the consumer gloom and away from the negative effects of recession. Canada's potential for success is immense, and the government once again fails to take effective steps to get the Canadian economy moving.

If in fact we are slipping into a recession, as many think we are, then the federal government must stand up to this and not run away from its responsibility, because the same federal government got us into this through years of economic mismanagement. Government spending has been irresponsible, excessive and inflationary. This situation must be curbed so that we do not saddle further generations with unbearable debt built up over the years.

There are many problems here in Canada to be solved before we look for others to take on at the taxpayers' expense. Efforts must be made at home to strengthen the Canadian economy and the Canadian dollar. Before the government gives advice to others, it should prove that it is in a position of credibility by righting the economic wrongs of the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Vankoughnet: Canadian taxpayers deserve no less. In the fast paced world, we must keep up if we are to remain competitive. The need for post-secondary education and

research and development is imperative now and for a strong future, and the government must ensure their continuing importance through active support and encouragement.

The federal government has taken Canada from the third highest standard of living in the world in 1968, to the thirteenth, in 1980. We have so many raw materials and energy that other countries with higher standards of living import that we wonder why Canada appears to be slipping when we should be near the top. The Canadian public wants answers and a solution, one which does not appear in yet another ineffective housekeeping Liberal budget. Real problems need real solutions. The problems have been known for some time now. Why are we not getting the solutions? The economy certainly needs help. Canadians need fundamental, straightforward, no-nonsense budgets to deal with the difficult times the Liberals have created.

The finance minister is using the huge sums of energy taxes to be collected by the federal government over the next five years to help reduce the inflationary deficit and curb excessive government spending, costing Canadians an average of $1400 per family per year. There is a need to combine long and short-term planning in the framework of a comprehensive industrial strategy for Canada. In the longer run, there is a need for government encouragement and assistance, training programs, research and development, promotion assistance, modernization of Canadian industry and improvement in our transportation systems. The government should help the private sector create new jobs and develop the market in Canadian expertise.

Experience shows that people respond to strong leadership which produces positive action rather than mere words or theories. A positive, enthusiastic attitude and environment results in more effort and more results from the same resources. Other countries have done this with fewer resources.

We in Canada have a great deal of potential; but we must believe in ourselves and follow a positive sense of direction to success. The government must take positive steps to build up the productive side of the economy and instil confidence in the marketplace. This is overdue, especially at this time when recent reports indicate consumer confidence in September of 1981 was at a 20-year low. Commercial bankruptcies were some 16 per cent higher in the first three quarters of 1981 than in the same period last year and 37 per cent higher than the same period two years ago. Farm bankruptcies were 133 per cent higher than in the first nine months of 1979. Inflation has pushed consumer prices in September of 1981 to 12.5 per cent higher than in September of 1980. Transportation costs are up 20.3 per cent. Housing costs are up 13.4 per cent. Fuel oil costs are up almost 55 per cent over the same time last year.

While wages are not keeping pace with inflation, consumers are falling behind. Even with the recent reduction by 1.5 per cent in the Canadian interest rates, they remain high in comparison with historic levels and in comparison with other major industrialized nations. The Canadian prime rate today is at some 18 per cent. Two years ago, the Canadian prime rate was at 14.75 per cent, while ten years ago it was 6.25 per cent. The seasonally adjusted unemployment rate in October of 1981 was 8.3 per cent, the highest level in three years, with a record number of people out of work for the month of October. Last year's federal government deficit was a record $12.7 billion. The gross national debt is some $119 billion, which resulted in the expenditure of almost $11 billion last year just to service the government's debt. This amounts to almost one tax dollar in every four.

● (1650)

The measures announced by the government in its budget do not address the serious problems of high interest rates by taking positive action to combat them. Guaranteeing interest deferrals which are added to the struggling home owner's cost of housing in the long run does little to bring relief to Canadian home owners. This small token of assistance is of little comfort to both those eligible and those across the fine line who are not eligible for the assistance. They are faced by so many other economic hardships that anything other than an honest attempt at total economic encouragement does little to ease their burden. Canadians look for assistance with a view to a better future, not merely a deferral of the present plan with no economic improvement in sight.

The availability and affordability of housing are two serious problems in Canada and are largely the result of the government's high interest rate policy. Canada needs some 220,000 new housing units each year, but with shortfalls last year and predicted over this year and next this could result in a shortage of some 140,000 homes over the three-year period.

High interest rates have effectively ground apartment construction to a halt, resulting in a serious shortfall of rental accommodation in many areas of Canada. Tenants as well as home owners are hard hit by the current high rates of interest.

High mortgage rates are clearly having an impact on the affordability of housing in Canada. Over half a million Canadians will renew their mortgages this year. According to CMHC, 40,000 Canadian families will lose their homes because they cannot afford to renew their mortgages at current rates. The government must address itself to this serious problem facing Canadians.

Canadians may remember the Liberal promises in 1979 and 1980 that energy prices would stay low, and in particular that gasoline prices would rise by less than 14 cents a gallon in 1980. Depending on the location, gasoline prices in 1980 rose by between 22 cents and 29 cents a gallon, far in excess of the promised 14 cents. Since the election, the price of home heating fuel has risen by some 44 cents a gallon. It is estimated that by 1986 gasoline prices will climb to at least 80 cents a litre, or $3.60 a gallon in most provinces. Heating oil is estimated to go to 60 cents a litre, or $2.70 a gallon, and natural gas prices could double to some $10 a thousand cubic feet. So much for Liberal promises of cheaper energy.

The 18-month delay in reaching an energy pricing agreement caused the loss of tens of thousands of jobs and delayed the construction of two needed oil sands plants. The federal

government should take measures to ensure the oil industry is working again in an effort to keep jobs and exploration in Canada. As a result of the government's new increase in energy taxes, estimated at some $50 billion over the next five years, Canadians expect the government to direct these funds wisely.

There exists in this country today unacceptably high rates of unemployment, and yet at the same time we hear of serious shortages of certain critical skilled employees in Canada. Together with the strong need for a comprehensive economic and industrial policy for Canada to co-ordinate, plan and modernize its industries for the future, we see inadequate training and industrial policies and a lack of co-ordination among all levels of government and between the public and private sectors. We need a national employment and training plan to co-ordinate efforts to match skilled people to modern trades, and the federal government must contribute time, effort and funding to achieve this very important goal. If we are to keep industry in Canada, we must develop the technology and the training and co-ordinating programs and we must give encouragement to implement them and to modernize our industry for the future. There is a need for a strong effort at all levels to ensure we fill the important job shortages in skilled trades and preserve post-secondary education in Canada.

I have spoken in this House before about the need for a comprehensive industrial strategy for Canada and made specific reference to the need to ensure that the Canadian textile and clothing industry survives and grows so that we do not become dangerously dependent on a wide range of imports.

The federal government announced a new policy for Canada's textile and clothing industry on June 19, 1981, that reinforced investment confidence in this important industry which employs many Canadians directly and indirectly. Investors need confidence through long-term planning and stability to make the large-scale commitments necessary in high capital business today.

The policy as announced supported both assistance in modernizing viable firms in the textile and clothing industries and the provision of new employment in communities most vulnerable to foreign competition in these sectors, as the government intends to allow gradual increases of low-cost imports in the Canadian market.

In light of the October 26, 1981, press release from the Prime Minister's office, associated with the announcement of the members of the Canadian Industrial Renewal Board, it is felt by some members of the textile and clothing industry that the context and thrust of this later release confuses the thrust of the textile policy announced last June 19. The later release indicates that the Government of Canada is committed to the promotion of a freer world trade environment by offering freer market access for foreign textile and clothing products.

The release goes on to indicate that while pursuing this policy the Canadian government fully intends to help affected industries, communities and workers adjust to the reality of a less protected domestic market, and that in order to smooth the transition the government will, among other things, establish a special assistance program.

The Canadian economy needs assistance and support if our industries are to survive and prosper. The government should make every effort to ensure that different sectors of our industries grow and compete, rather than say it does not think they can compete so it will offer them assistance to readjust. This is not the kind of positive attitude required to instil the confidence in the private sector necessary for the commitment to large scale infusions of time, capital and hard work necessary for survival and growth.

The government should see to it that its programs, both in theory and in practice, give Canadian industries support and encouragement when they need it most. Only then, when all is well at home, can the government honestly look elsewhere. We simply cannot afford to let our industries disappear through lack of effort or through intellectual theorizing when other countries in the world are doing their utmost to save their own industries. The federal government must promote Canada just as other countries so strongly promote their own interests. Canada would be in a better position to help others if she were strong herself.

The federal government should promote funds and energy toward a comprehensive industrial policy that promotes, preserves and improves Canadian industry so that Canada and Canadians grow stronger as a nation with a strong economy and all the good things that go along with it.

The federal government recently raised the Farm Credit Corporation's interest rate from 14 per cent to 16.75 per cent, thereby dealing Canadian farmers another heavy blow. There is a problem regarding the lack of adequate funding for the Farm Credit Corporation which has resulted in the Farm Credit Corporation running out of funds. The government must recognize that modern Canadian farming is dependent on credit. The current high levels of interest rates and lack of funding from the Farm Credit Corporation, combined with such soaring input costs as fuel and fertilizers are creating hardships for many farmers.

In conclusion I should like to emphasize that the Canadian people needed and expected a strong budget that would face

the current economic problems head on with responsible solutions. Once again, the government did not see fit to provide Canada with such a budget. Just as Liberal governments have disappeared at the provincial level, it does not appear long before that happens federally because the people of Canada cannot and will not stand for such further indifference and neglect from this Liberal government.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, November 16, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

APPLICATION OF CAPITAL GAINS TAX—MOTION UNDER S.O. 43

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas in its budget of November 12, 1981, the Liberal government cancelled a law which permitted farmers to sell their farms under agreements of sale and to pay the capital gains tax from future payments as received, and whereas the budget adds substantial taxes on fuel, fertilizers and chemicals, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House condemns the government for breaking its 1980 election promise to give farmers immediate relief from capital gains tax and for instead imposing immediate taxes on capital gains, farm fuel, fertilizers and chemicals.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN FEDERATION

APPLICATION OF PROVINCIAL STATUS TO TERRITORIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the constitutional proposals of the Prime Minister (Mr. Trudeau), which would virtually entrench colonial status in the north, have so incensed the people of the Territories that the entire Legislative Assembly has found it necessary to travel to Ottawa, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Prime Minister adopt policies which would allow the Northwest Territories and Yukon to enter confederation as full partners as soon as possible, and that he arrange to meet with the 22 elected representatives who have travelled 3,000 miles to present these issues of such importance to northern Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE MINISTRY

CALL FOR CUTBACKS IN MEMBERSHIP—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given the incredibly stupid decision taken by the Minister of Transport (Mr. Pepin) to ruin the most cost effective long distance trains in Canada, VIA Rail's Atlantic Limited and the Super Continental, and whereas several of his fellow ministers have shown a corresponding degree of incompetence by their devious mishandling of the Constitution, high interest rates, the housing crisis, high energy costs, and industrial stagnation, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That the federal cabinet be subject to an immediate 20 per cent cutback by order of this House requiring the termination of services by laying off Chairman Pierre and his ministers of finance, energy, transport, housing and industry, all of whom are drawing heavy tax subsidies from Canadians in order to finance their own reckless incompetence, and that public hearings need not be held until after these cuts take effect on November 16, 1981.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SOCIAL SECURITY

PLIGHT OF PEOPLE ON LOW INCOMES—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the government stands condemned for its callous disregard for the plight of pensioners and others on fixed incomes and, further, that this House demands programs to assist those people whose income levels will not provide sufficiently to compensate for the increases in energy, rent, taxes and food costs which will inevitably result from the budget of November 12.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

POLITICAL PARTIES

ADVERTISING ISSUED BY MANITOBA PROGRESSIVE CONSERVATIVE PARTY—MOTION UNDER S.O. 43

Mr. Robert Bockstael (St. Boniface): Madam Speaker, I rise under the provisions of Standing Order 43. The Progressive Conservative Party in Manitoba has been distributing literature claiming credit for projects which have been entirely funded by the federal government at no cost to the province. The Manitoba Conservative Party has taken credit for some 59 federal incentive offers involving about $45 million of federal moneys. This amount does not include joint federal-provincial programs the PCs are claiming as their own without reference to the dollar input of the federal government. I move, seconded by the hon. member for London-Middlesex (Mr. Bloomfield):

That the federal government immediately publish a correct listing of those projects to demonstrate how the Manitoba Conservatives are guilty of publishing misleading and deceptive statements just before an election.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

MINISTER'S STATEMENT ON TAX MEASURES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, since last week's budget will raise direct taxes for Canadians, according to page 72 of the main budget document, by fully 100 per cent by 1985-86, and direct taxes for corporations by almost 300 per cent in the same period of time, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Minister of Finance retract his misleading statement at page 2 of his budget speech when he said, "There is tax relief or no tax increase in this budget for the vast majority of Canadians".

That statement was wrong.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA POST

SUGGESTED REDUCTION IN RATES FOR VOLUNTARY ORGANIZATIONS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, the Alberta Lung Association carries out education and research programs related to lung diseases, and finances this work through a mail service. The proposed increase in postal rates will eat so badly into the donations to it that the whole program might be destroyed. I therefore move, seconded by the hon. member for Peace River (Mr. Cooper):

• (1410)

That this House strongly recommends that Canada Post provide preferential rates to the Alberta Lung Association and other such health and voluntary organizations so that Christmas Seal efforts and valuable voluntary work may continue.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

RECOGNITION OF ABORIGINAL RIGHTS—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the hon. member for Provencher, Louis Riel, twice elected to this House of Commons, was hanged 96 years ago today for his stand on aboriginal rights, and in view of the fact that our Fathers of Confederation agreed 114 years ago that aboriginal rights are an absolute federal jurisdiction, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House honour the memory of Louis Riel today and reconfirm the unanimous January 30 all-party support given to section 34, the constitutional recognition and affirmation of the rights of Canada's Indian, Inuit and Metis people.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SCIENCE AND TECHNOLOGY

CONGRATULATIONS ON SUCCESSFUL MANIPULATION OF CANADIAN DESIGNED ARM ABOARD UNITED STATES SPACE SHIP—MOTION UNDER S.O. 43

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I rise today under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Over the weekend the second space shuttle landed, following a two-day space flight during which Canada's first major contribution to the space program was successfully tested. I refer to the Canadian government-funded remote manipulator system, better known as the Canadarm. In order that this very important project in international co-operation and space policy receive future sup-

port, I propose, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House affirm our commitment toward Canadarm as an international joint project of tremendous significance, commend the skill and dedication of those responsible for the design and construction of the space arm, and express the hope that this joint effort involving Canadian expertise will be the first of many such undertakings.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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POLITICAL PARTIES

SHARING OF CREDIT FOR BUDGET CONTENTS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise today under the provisions of Standing Order 43. More than 25 years ago the then Prime Minister, Mr. St. Laurent, called the CCF, now the NDP, "Liberals in a hurry". The question we ask ourselves today is who is in a hurry to claim the left and who has overtaken whom? I therefore move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Prime Minister and the Leader of the New Democratic Party fold their protective wings around the Minister of Finance so that all may share the credit for the resurrection of the Regina Manifesto in the current budget, and that taxpayers in Canada unite for they have nothing to lose but their shirts.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

IMPACT OF TAX PROVISIONS ON HOUSEHOLDS BELOW POVERTY LINE—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, the Liberal-NDP budget last Thursday is the most regressive in Canadian history. It is the poor who are being hardest hit. The average householder in Canada will pay over $2,500 in indirect taxes this year, an increase of more than $880 over last year. The poor in Canada cannot afford that massive increase and Canadians must be honestly told what this finance minister has done to them. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House direct the Minister of Finance to provide the Canadian people with an honest statement of the impact of all his taxes on households that fall below the poverty line.

[*Translation*]

Madam Speaker: The House has heard the motion presented by the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

IMPACT ON CONSTRUCTION OF RENTAL HOUSING

Miss Pat Carney (Vancouver Centre): In the absence of the Minister of Finance, Madam Speaker, I will address my question to the acting minister of finance. The minister said last week that his budget was designed to increase employment. The government's answer to unemployment is to create it. Since the budget was introduced last Thursday night, construction has stopped, just ended, on 3,200 rental units worth half a billion dollars, from St. John's, Newfoundland, to Vancouver, throwing 3,400 people out of work. When the Minister of Finance brought in his restrictive budget, was the government aware that these projects would halt, that these jobs would be lost, and that an entire industry would be wiped out?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member is concerned about one particular situation that affects homebuilding. If the hon. member would look carefully at the measures taken to counter inflation, she will realize that those measures are the most effective way to revive that particular section of the industry. In fact, if we succeed in bringing down the present rates of inflation which are affecting the economy, the result will be a substantial reduction in interest rates, and hence more room and greater demand for construction; this industrial sector will get back on its feet and the economy will benefit because more jobs will be created as well.

[*English*]

REQUEST THAT PROVISIONS BE AMENDED

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also directed to the Minister of State for Finance, who has managed to enunciate what econo-

mists call the enema theory of fighting inflation, by flushing out the economy.

Some hon. Members: Hear, hear!

Miss Carney: The minister has not addressed the question which was about specific projects, in specific centres, on which work has stopped and in which people are out of work today. People who were working last Thursday are not working today. The Canadian Institute of Public Real Estate Companies estimates that the number of lost rental units will be in the thousands, at a time when vacancy rates are at the lowest level in five years. Will the Minister of State for Finance consider recommending to the Minister of Finance that he amend his budget proposals affecting the soft costs, so that these projects can now proceed and that these jobs can be saved?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, when referring to rhetoric and the practitioners thereof, one can use all kinds of expressions. The hon. member has used one, and I would like to suggest another; I would say that she is indulging in psittacism, just like her party leader who made a habit of imitating parrots.

Madam Speaker, to get back to the basic principles of the budget, these are to fight inflation, to get interest rates down and thus create more jobs as a result of the ensuing economic revival. The hon. member is referring to several problems which might be caused by certain arrangements concerning obligations to invest in housing. This is a problem the Minister of Finance is well aware of. We shall have an opportunity to look at this more closely during the next few days, and I am sure that if it is necessary to take special measures regarding this particular aspect, the Minister of Finance will consider such measures.

[*English*]

ANNOUNCEMENT OF STUDY RESULTS

Miss Pat Carney (Vancouver Centre): My supplementary question is directed to the Minister of State for Finance who, in his answer, indicated, at least as I heard it, that the government would consider looking into this aspect to see whether these jobs can be saved. Since these people are now out of work and since all these projects are now on hold, when will the minister be able to tell this House what the results of this extra scrutiny will be?

● (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I feel that there should be time to consider a situation or the consequences of a specific measure before we can say when a more definite answer can be given.

[*English*]

HOUSING

ACTIONS TO MEET SHORTFALL IN MAJOR METROPOLITAN AREAS

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is directed to the minister responsible for housing. The minister will know that on last Friday Canada Mortgage and Housing Corporation announced that the vacancy rate in all major metropolitan areas of the country had slipped to 1.4 per cent. He will also know that this is critical in some of the larger metropolitan areas such as the city of Toronto where the vacancy rate has gone from 1.7 per cent in 1979 to .3 per cent in 1981, a very critical factor.

Given the fact that the budget eliminated the MURB provision which, by the minister's own admission, resulted in the creation of 20,000 units last year, and that it will be replaced by a subsidization provision which will only allow for the building of 15,000 units, what does the minister propose to do to meet the critical shortfall in major metropolitan areas of the country which, by his dire predictions contained in his own cabinet document, could result and perhaps will result in a black market situation?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, there are two things for which the budget is designed in addressing the problems raised by the hon. member. First, I believe that he overlooked, in the proposition for 15,000 new rental starts to be encouraged by the front-end loading of the $7,500 grant, that those units now under the program can at last be specifically directed to those markets where low vacancy rates exist. Heretofore under the MURB provision, that was a helter-skelter approach. It assisted the industry, it got units constructed, but they were not necessarily in the areas where they were needed. I have been told that many times by hon. members opposite. The advantage of this alternative approach taken in the budget is to address the assistance where it is required, in those markets experiencing the low vacancy rate.

Second, I would remind the hon. member that I answered the first question he raised in this resumed session of Parliament that the corporation had already directed Section 56(1) units, which are a substitute to rental units, non-profit and co-op units, to those markets. We have increased the allocation in the last two years. I gave as an example the city which the hon. member represents where there has been an increase in that type of alternative housing.

MONITORING OF SITUATION IN CITIES

Hon. James A. McGrath (St. John's East): Madam Speaker, the budget has decreased the supply of co-op social housing by 5,000 units; it has gone from 30,000 to 25,000. The deferred mortgage interest payment situation will not address the problem, and that has been exacerbated by a considerable decline in investor confidence in the market by the elimination of the MURB provision. That has created a critical situation

in the country. It will result in a black market situation in major metropolitan areas, the so-called key money situations. The minister has to bear some responsibility in this regard. What steps does he propose to take to monitor the situation in major metropolitan areas to ensure that the black market key money situation which he predicted in his cabinet document which he signed will not in fact take place? We are now approaching the zero vacancy rate which he predicted in his document. The minister seems determined to make his own worst predictions come true.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the first step, as the minister responsible for Canada Mortgage and Housing Corporation reporting to Parliament, that I will take is to meet with my provincial counterparts, the ministers of housing of all provinces. I requested that on Friday, the morning after the budget. I received confirmation from two ministers. I intend to meet with all of them in the next few weeks to discuss this very issue.

I point out to the hon. member, for example, that the province of Ontario has a comparable plan to assist rental housing by an up-front grant. We obviously have to work with that province in co-operation, to see that both programs achieve the desired element that is required in the plan. I was happy to see, for example, that last week after the budget announcement of plans in this House, and after I had requested that the provinces now consider what aid they would get, the province of Manitoba will pick up some slack and address some of its financial resources to the problem of housing. I will ask the other ministers of housing in the other provinces whether they as well can follow that leadership.

* * *

● (1425)

THE CONSTITUTION

RECOGNITION OF WOMEN'S RIGHTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is addressed to the minister responsible for the status of women. The minister knows that following certain answers given by the Prime Minister with respect to Clause 28 in the old constitutional resolution, the precise meaning and significance of that clause are unclear. She also knows that there have been discussions taking place, as I understand it, between the federal and provincial officials in recent days. I wonder if she is now in a position to outline to the House the precise meaning of that clause.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I will be happy to answer the question. The precise meaning of the clause as we see it, is that Section 15, where the nonobstante applies, refers to the specific definition of sexual discrimination for a very specific act. In Clause 28 the broad principle is stated, one in which the women of Canada are very much interested and are very positive about. They wish this to remain within the charter, of course. I should like to advise hon. members that we are optimistic at this stage and hope that Clause 28 in the general section will remain intact. We may know by the end of the day.

ASSURANCE SOUGHT ON PRECISE MEANING OF FEDERAL-PROVINCIAL ACCORD

Mr. Edward Broadbent (Oshawa): Madam Speaker, as I understand the minister's answer, the position of the federal government is to maintain the force of Clause 28 as it now is. She has indicated, though, that there is not yet agreement on that, I assume, by all those provinces that have participated in the accord. Since it has been suggested that we may well have a resolution before the House on Thursday of this week, may I ask the minister if she is prepared to assure the House that we will know ahead of that time what the precise meaning of Clause 28 is in terms of an accord that has been reached between the federal government and the provinces?

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, I can assure the hon. member that hopefully by this evening we will have the precise meaning and the terms of the agreement with the premiers.

EFFECT OF UNITED NATIONS CONVENTION ON ELIMINATION OF DISCRIMINATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is also for the minister responsible for the status of women. I am very pleased indeed, as I am sure all members of the House are, by the answer the minister has given that Clause 28, the equality clause, will remain intact, just as it is now.

If I may, I should like to congratulate the minister on opening her office to the representatives of millions of Canadian women who are extremely concerned that Clause 28 be kept intact.

Some hon. Members: Hear, hear!

Miss Jewett: We are very glad to join in the applause.

Article 2(a) of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women requires state parties to "undertake to embody the principle of equality of men and women in their national constitutions". My first question was to have been whether the federal government still supports this convention and I take it the answer is yes. May I ask the minister whether it has been brought to the attention of the provinces that a serious violation of this convention would be brought about if Clause 28 were eliminated, overridden, or changed in any way?

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, that has been a very forceful part of the argument presented to the premiers.

Oral Questions

THE BUDGET

TRANSFER OF SALES TAX FROM MANUFACTURING TO WHOLESALE LEVEL

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of State for Finance in the absence of the Minister of Finance. We all know that total tax revenues will increase this year by 31 per cent as a result of the budget. What is not clear as a result of the budget is the impact of the shift of the federal sales tax from the manufacturing level to the wholesale level. The government has said it will reduce the rate from 9 per cent to 8 per cent, but many experts in the Consumers' Association of Canada and in the business community claim that this will result in a considerably larger revenue take than has been indicated in the budget.

● (1430)

Is the government trying to sneak in a further revenue increase on top of this 31 per cent increase, a tax increase which would be very, very damaging as far as Canadian consumers are concerned in that it will raise costs and will also be very damaging to the level of unemployment?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member's question is very interesting. However, I should like to point out to the hon. member that in the preamble to his question which is specifically concerned with the shift of the sales tax from the manufacturing level to the wholesale level, he forgot to point out that at the same time, revenue is being generated by the removal of certain tax preferences, marginal income tax rates have been substantially reduced, and nearly six million Canadians will experience a reduction in marginal income tax rates for next year, which is very important.

As for the effects of the sales tax transfer from the manufacturing to the wholesale level, the hon. member is quite right to express his concerns which I feel are well founded. In fact, the purpose of the Minister of Finance and the government in making this change is not to generate new revenue for the government. The government's objective is to provide for greater equity in the sales tax system, first of all by shifting collection of this tax away from the manufacturing level. This does away with a multitude of problems that had made the levying of the sales tax at this level a veritable nightmare for the Department of National revenue. Second, as far as the amount to which the sales tax is to be applied is concerned, the new approach deals more equitably with, and provides a better balance between, imported goods and the same goods manufactured here in Canada. The objective is therefore not to generate more revenue but to apply the sales tax more equitably.

[*English*]

REASONS FOR TAX PROVISIONS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I should remind the minister that about ten years ago there were the same concerns as a result of the Benson tax reform. At that time the government said that if the tax reform generated further revenue increases than what it then anticipated, it would give that money back. Hon. members know, I know, and Your Honour knows what happened at that time. There were no tax reductions as a result of that. I am now asking the minister for a commitment on behalf of the government that that will take place.

The Minister of Finance obviously wrote the budget before he got the information concerning the high unemployment figures in October as well as the other very widespread signs of weakness in the economy. Therefore my supplementary question to the Minister of State for Finance is as follows: In this budget, why did the minister ignore the fact that today the economy is in a recession? Why did he increase the tax burden on Canadians by a further $1.4 billion on top of the $1,400 per family per year for the next five years that the energy tax increase will bring to the government?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): I would like to comment briefly on the hon. member's statement, in view of the neutrality that is desired when levying the sales tax at the wholesale rather than at the manufacturing level. I can assure the hon. member that we shall have an opportunity to discuss the matter with the parties concerned at committee hearings, that the hon. member will also have an opportunity to get his points across and that he will realize, in the course of the debate in committee, that the change will indeed provide for a more equitable and objective system. As for the general objectives of the budget with respect to the economy, I think the hon. member will agree that the government's main focus must be on the fight against inflation. The hon. member may recall that 13 months ago, before the Minister of Finance had brought down a budget, a number of members were saying: Listen, we are in a recession, be careful when you prepare your budget because the recession is going to be severe and there will be high unemployment rates. Several months later, the Canadian economy had shown a quite remarkable rate of growth. As every good physician knows, a hasty diagnosis is seldom right.

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[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE HON. DONALD STEWART, SPEAKER OF THE LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Madam Speaker: May I draw the attention of the House to the presence in our gallery of the Speaker of the Legislative

Assembly of the Northwest Territories, the Hon. Donald Stewart.

Some hon. Members: Hear, hear!

* * *

THE CONSTITUTION

REQUEST THAT PRIME MINISTER MEET NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY MEMBERS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in the absence of the Prime Minister and the Deputy Prime Minister, maybe I should address my question to the acting prime minister, who might be familiar with the the Prime Minister's schedule. As he will be aware, the entire legislative assembly of the Northwest Territories has come to Ottawa with the specific purpose of meeting with the Prime Minister concerning the Constitution. The Assembly has legitimate fears that the present colonial status in the north will be entrenched as a result of the proposal. I wonder if we could be advised whether a meeting has been put together yet, and at what time and place this meeting might take place.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I reply to the hon. member by telling him that, yes, they did meet with me about 1.30, just prior to the question period.

Mr. Nielsen: His high ambitions know no bounds.

Mr. Munro (Hamilton East): They will be meeting with me again around six o'clock tonight, for about an hour. Hopefully, I will have something further to report after that.

Mr. Nickerson: My, how things change! Before asking a supplementary question of the Minister of Indian Affairs and Northern Development, I would like to extend to him my heartfelt condolences over certain things which happened in his constituency of Hamilton East over the weekend.

Mr. Jarvis: The Tiger Cats!

An hon. Member: So long, Tigers!

Mr. Nickerson: Perhaps he could try to answer the question as to whether or not a meeting with the Prime Minister could be arranged.

RESPONSIBILITY FOR CREATION OF NEW PROVINCES

Mr. Dave Nickerson (Western Arctic): I would also like to ask the minister the following question. When a new proposal is again put before this Parliament, can the minister ensure that the concept will be retained that creation of new provinces out of existing territories, not affecting existing provincial boundaries, lies solely within federal jurisdiction?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as the hon. member well knows, the accord agreed to between the provinces quite clearly indicates otherwise. That is the Vancouver formula without the compensation aspect to it. It does involve the provinces in consent of the nature the hon. member just identified. That is a situation with which we are faced. I am hearing the concerns of the northerners with respect to it, but I am assuming at this stage that any change in that respect would involve some amendment to the accord. I am not at all sure that we or many hon. members of the House would be prepared to contemplate that at this stage.

* * *

ENERGY CONSERVATION

PROGRAM FOR CONVERSION FROM OIL TO OTHER FORMS OF HEATING

Mr. D. M. Collenette (York East): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources.

Some hon. Members: Oh, oh!

Mr. Collenette: There have been press reports that electricity may become a cheaper form of heating than natural gas. Given this new information, could the minister inform the House whether he has reservations in endorsing the policy of encouraging the conversion of oil heat to natural gas, keeping in mind the incentives for gas conversion contained in the National Energy Program and the recently concluded agreements with the producing provinces?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, under the National Energy Program, the national government has indicated that it was neutral concerning the choice consumers would make between alternative forms of energy other than oil. As a matter of fact we left this to be worked out with the provincial governments. In some provinces the incentives program is open to consumers, both for electricity and gas; in others there are some additional reservations.

I think it is impossible to give an answer which would apply equally across the country because the price of electricity varies from province to province. We have assured that the price for natural gas at the wholesaler level will not exceed about 65 per cent of the price of oil. Therefore, there is no doubt that the price of natural gas will certainly remain very advantageous compared to heating oil. With respect to the outlook on electricity, as far as I know most provincial governments would prefer consumers to opt for natural gas.

Oral Questions

● (1440)

INDUSTRY

SHUTDOWN OF MASSEY-FERGUSON PLANT IN BRANTFORD, ONT.

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact that a few hours ago Massey-Ferguson announced the shutdown of its North American combines plant in Brantford, throwing another 1,800 employees out of work for a period of several months, in addition to the 700 already on lay-off, and in view of the fact that the main reason for this is market problems, which everyone knows are due to the exorbitant high interest rates that farmers are facing, would the minister tell this House what specific or new measures were contained in the budget last Thursday night that would directly assist companies such as Massey-Ferguson, and more specifically help the thousands of workers who are being thrown out of work because of the budget?

Mr. Baker (Nepean-Carleton): Liberal times are tough times.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the basic thrust of the budget—

Mr. McDermid: Is to put people out of work.

Mr. Gray: —is to reduce the pressure on financial markets of the size of the federal deficit and to aid in the reduction of interest rates, something which has been taking place over the last several months.

Mr. Nielsen: Resign.

Mr. Gray: In fact, the day of the budget there was a drop in the bank rate of a full point and a half. Interest rates right now, I think, are lower than at any time since last December. The budget in its over-all thrust very much reinforces the existing movement toward lower interest rates.

Some hon. Members: Oh, oh!

Miss MacDonald: You are a sham.

Mr. Gray: With respect to Massey-Ferguson, the plant in Brantford exports most of its production to the United States and other countries, and the state of those economies is very much a factor in the health of that plant.

The whole farm machinery industry is suffering sales declines.

Mr. McDermid: All industry is.

Mr. Gray: The competitors of Massey-Ferguson have also been laying off employees in their plants outside Canada, and yet Massey-Ferguson at the same time has been able to maintain its market share. The basic activity of the federal government has been to take steps to ensure the continuance of Massey as a viable company, to maintain jobs there and, in spite of these lay-offs, to provide a company to which these workers can come back as sales improve.

Mr. Blackburn: Madam Speaker, I notice that the Minister of Industry, Trade and Commerce did not speak specifically of the farm community. That is where the problem lies. Farmers cannot afford to buy these combines and tractors.

* * *

AGRICULTURE

ABILITY OF FARMERS TO BUY FARM MACHINERY

Mr. Derek Blackburn (Brant): Madam Speaker, if I could get the Minister of Agriculture's attention, my supplementary question is for him.

What is the Minister of Agriculture planning at the present time to give assurance that there will be enough farm implements when demand returns, if it does return in a year's time? I ask this question because there was virtually no assistance in the budget to farmers at all, outside of the drop in the bucket through the FCC, and also because Agriculture Canada is spending thousands of dollars on useless advertisements in newspapers across the country. Why can the government not put some money into the hands of the farmers instead?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member may call the small business development bond and the $50 million for the FCC a drop in the bucket, but by working with the banking institutions in a proper fashion we can provide assistance to many of those farmers in dire need.

Some hon. Members: Oh, oh!

Mr. Whelan: The hon. member asks what we have done. We have supported Massey-Ferguson because of its importance. It is needed to make sure that the farm implements are there for the most productive farmers in the whole world, the Canadian farmers. We also supported farm implement companies three years ago, I believe, with an interest free loan to the Canadian implement manufacturing organization—Co-op Implements—so that those companies could stay in business.

I would remind the hon. member that those farmers who do not require huge sums of money from the federal government, who are in supply type of a managed system of marketing their produce, are buying machinery, are paying their debts, and doing all those things necessary for a healthy farm operation. When the hon. member talks about agriculture he is making a widesweeping statement that is not quite accurate. Certain sections of the agricultural economy are in difficulty, but way over half of it is very healthy.

VIA RAIL

REQUEST THAT FURTHER CUTBACKS BE DEFERRED

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the Minister of Transport. Now that November 15 has come and 20 per cent of VIA Rail has gone, showing that stubbornness has prevailed over common sense, will the minister now exercise a little political horse sense and assure this House that no further reductions or cuts in VIA passenger service will be made until the House of Commons Standing Committee on Transport is seized with them, or alternatively until the CTC at least can hold a hearing on the fairness of the costing order as well as the whole future of Canada's rail passenger service?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I would have said the exact opposite. What has been done proves that common sense has prevailed.

Some hon. Members: Oh, oh!

Miss MacDonald: Deception.

Mr. Pepin: In the last four years Canada has had a sort of haphazard elimination of 2,500 miles of railroads. My hon. friend did not see that. Therefore, instead of witnessing the slow decomposition of the system, the government decided to anticipate events and eliminate or reduce services now which would have to be eliminated in the future in order to make the necessary savings to give VIA what it needs to acquire the equipment, and so strengthen itself.

I heard a member say a few minutes ago that we were ruining VIA Rail. On the contrary, we are saving VIA Rail. That is a common sense approach. I realize that it is difficult for hon. members and for the public in general to share that view with me, but I am sure that in due course they will, and they will also realize that what we are doing now is really strengthening VIA and not ruining it.

REQUEST THAT STANDING COMMITTEE BE PERMITTED TO STUDY ANY FUTURE CUTBACKS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, we know that 20 per cent of VIA has gone. November 15 came, and the minister has had his way. My question is in terms of the future since every problem that affected the 20 per cent that was cut is still there. In the rationalization and understanding of the costing order, perhaps even more so, the 80 per cent of VIA that is left is now the 100 per cent of VIA that is there, and if the minister is not worried about the future decomposition of the system, let alone the decomposition of his political party in areas adversely affected by the cuts, will the minister give a simple assurance to this House that we can study the problem in the Standing Committee on Transport so that representatives of the people affected by these changes or future cuts can have some input?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the very purpose of what we have done by the reductions and discontinuance of service is to prevent further—

An hon. Member: Public hearings.

Mr. Pepin: —discontinuances and reductions. Therefore, I can assure hon. members of that. That is the very purpose of the exercise. But I cannot give assurance that in the next four, five or ten years there will be no other reductions of services. That will depend on the use Canadians make of their trains. Nevertheless, I repeat, without being able to give a 100 per cent commitment, that the very purpose of what we have done is to prevent further reductions.

Mr. Nowlan: Fire Benny Benson.

Mr. Pepin: On the subject of the committee, I was keen to explain the matter to the Standing Committee on Transport, but because the committee appeared to want to insist on reporting its recommendations and as a consequence take another working day of the House of Commons, I had to be disagreeable, which is something I do not like to be. Instead of that, I went to the Senate committee, which was more flexible on the subject, and I provided all the information requested of me.

Mr. Nowlan: Who the heck cares about the Senate committee?

An hon. Member: You might as well close the House of Commons committee.

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EXTERNAL AFFAIRS

PROPOSED CONSTRUCTION OF OIL REFINERY IN EASTPORT, MAINE

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Has the Pittston oil company, which proposes to build a refinery in Eastport, Maine, been granted its clean water report by the environmental protection agency of the United States? If so, does this authorize that company to begin construction of the refinery?

• (1450)

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, what the hon. member is asking about are matters concerning United States law, on which we

are strictly an observer. I understand there yet may well be legal challenges taken in the United States, and it is not for us to decide what happens as a result of U.S. law.

I can tell the hon. gentleman and the House that we have made the United States government aware, via a note earlier this year, of our serious reservations on environmental grounds of the use of those waters by any oil tankers. That would be a consideration which certainly ought to be taken into account by any U.S. sponsors of a refinery.

NATURE OF REPRESENTATIONS MADE BY GOVERNMENT OF CANADA TO GOVERNMENT OF UNITED STATES

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my supplementary question is to ask how firm have the representations been from the minister's department to the United States, and what measures is the government prepared to take for the protection of the fishing industry and the environment of the Bay of Fundy. Would he consider tabling the notes or messages which may have been exchanged between his department and that of his counterpart in the United States?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I believe the note has been made available in the United States and I think it perhaps can be made available in Canada, although that is—

An hon. Member: That is nice.

Mr. MacGuigan: It is not the usual practice to table notes between governments, but I believe in this case it may be appropriate to release it and I will look into that question. This is not a matter of having presented the United States government with a formal note stating our position, which we have to reiterate constantly, but we do keep a very close eye on the proceedings in that area.

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CANADIAN BROADCASTING CORPORATION

HOLDING OF POLL ON MANITOBA PROVINCIAL ELECTION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the minister responsible for the Canadian Broadcasting Corporation. In a November 13 phone-in poll conducted by the CBC program "24 Hours" in Winnipeg, Manitobans were invited to phone in their voting intentions for the upcoming Manitoba election. The CBC advised that preliminary results showed the New Democratic Party marginally ahead. The final results showed that there would be an overwhelming victory for the Conservative Party. However, the final results were not aired. Will the minister responsible for the CBC or the CRTC investigate the reason for the suppression of the final result, and report back to the House on this discriminatory practice?

Some hon. Members: Hear, hear!

Hon. Francis Fox (Minister of Communications): Madam Speaker, quite obviously I will be pleased to bring the hon. member's representations to the attention of the CBC.

An hon. Member: Wait until tomorrow.

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SOCIAL SCIENCE

REQUEST FOR IMPROVED PROGRAM FUNDING

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is also for the Minister of Communications. Members of the academic and research community are concerned about the inequitable funding treatment accorded the Social Science and Humanities Research Council which deals with studies in political science, the humanities, education, economics, etc. In contrast, the 1981-1982 budget for the Science Research Council received an additional $20 million, and the Medical Research Council received an extra $10 million this year. I would like to ask the minister, since learning more about how we should function as a society should be a high government priority, to tell us whether he intends to press for improved funding this year for the social sciences area so that programs already under way will not be scrapped.

Hon. Francis Fox (Minister of Communications): Madam Speaker, I of course share the hon. member's interest in the Social Science and Humanities Research Council. I would like to point out that the funding for the Council this year was somewhere in the range of $45 million. It did receive an increase of $3.8 million, which is an increase of approximately 9.3 per cent.

It is quite obvious that the Council itself would like to receive a greater amount of funding, as would all the other research councils. The Council has prepared a plan for the next five years which will be submitted to my colleagues in cabinet in the near future.

STATUS OF FIVE-YEAR PLAN

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I notice that the minister did not tell the House whether he intends to press for this additional funding to save ongoing programs. Since he mentioned the five-year plan for the Social Sciences and Humanities Research Council which was approved in principle in December of 1979, and which established themes and strategies for Canadian studies into the effects of modern technology on the human condition, I

wonder if the minister can tell the House whether this plan is alive and well, or has it been buried somewhere deep down in a dark corner of the social affairs envelope.

Hon. Francis Fox (Minister of Communications): Madam Speaker, as far as the Canadian studies are concerned, the hon. member knows that the Department of the Secretary of State is running a number of pilot projects with a number of Canadian organizations interested in the promotion of Canadian studies.

As far as the Social Sciences and Humanities Research Council is concerned, it has somewhat modified its approach and, at its request, the plan will be resubmitted to cabinet.

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THE CONSTITUTION

PROVISION RESPECTING MANDATORY RETIREMENT

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, in the absence of the Minister of Justice my question is for the Acting Prime Minister. One of my constituents, Captain Ross Stevenson, the Air Canada pilot who obtained an injunction against Air Canada to allow him to work past the mandatory retirement age of 60, is presently awaiting the December 17 appeal hearing by Air Canada and the Canadian Airline Pilots Association. Would the Acting Prime Minister tell this House, in view of the accord signed on November 5 to patriate the Constitution with a Charter of Rights and Freedoms, whether Section 15 of the charter specifically concerning mandatory retirement will come into effect immediately after the Constitution is patriated, or will there be a waiting period, and could he further tell this House whether or not Captain Stevenson will be allowed to work for Air Canada past the age of 60?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I remember looking at this case previously. I have not looked at it recently, but, if my memory serves me well, there was a difference in the retirement ages in the different airlines. This matter is the subject of agreement between the employers and the employees. The aspect of the question having to do with the Constitution escapes me for the moment, but I will look into it and speak with the hon. member on the point.

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WESTERN DEVELOPMENT FUND

COMPENSATION PAYMENTS TO GRAIN GROWERS FOR EMBARGO ON SHIPMENTS TO RUSSIA

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Employment and Immigration, who is the chairman of the cabinet committee on western Canadian affairs. It relates to the handling in the budget of the Western Development Fund. The minister will now appreciate that more than 60 per cent of the amount originally indicated for the Western Development Fund, some $2.5 billion, has been put out into never-never land until some time in the 1990s, as opposed to any specific indication as to spending in this decade.

In view of the fact there was some $82 million in compensation for the Russian embargo which was taken out of the Western Development Fund, would the minister tell the House whether he was consulted and whether he approved of that expenditure from this year's estimates for the Western Development Fund, in this year's budget? If so, it seems to me the minister is not doing his job on behalf of western Canadian farmers.

Some hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, contrary to the assertions made by the hon. member, the commitment made by the government under the Western Development Fund indicates one of the most significant commitments to the modernization of western transportation of any government in the history of this country. We are putting $1.5 billion into the modernization of the western transportation network—

Some hon. Members: Oh, oh!

Mr. Axworthy: —plus $400 million allocated specifically to the achievement of economic development of native people. Those two—

An hon. Member: Answer the question.

Mr. Axworthy: Those two objectives constitute one of the most important ways the federal government can help western Canadians achieve their ambition through a diversified economy and deal with some of the most significant economic and social issues in the west. I hope the hon. member will have the good grace to appreciate those efforts.

Some hon. Members: Hear, hear!

Madam Speaker: I leave it to the minister's discretion whether he should answer this question, but I am not quite sure that ministers should be allowed to answer questions regarding regional responsibilities. I know it is probably in the cabinet's special title for western affairs. I will leave it to the discretion of the minister, but I will put a caveat on that.

CONSULTATION WITH PROVINCIAL GOVERNMENTS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should say, with all deference, that the minister is the chairman of the cabinet committee dealing with this responsibility.

Apparently he has not been doing too much work on that responsibility—

An hon. Member: Hear, hear!

Mr. Hnatyshyn: —but I will leave it to the people in western Canada to decide about that.

I would like to ask the minister about the kind of treatment western Canada has received with respect to VIA Rail. Notwithstanding his brave statements about the kind of expenditures we are to see with respect to transportation in western Canada, the minister will recall the commitment of the Minister of Finance to consult with the provincial premiers and provincial governments about the expenditure of moneys in western Canada from the Western Development Fund. That was a firm commitment.

• (1500)

Will the minister reassert that commitment that there will be consultations with western governments in order to set priorities with respect to expenditures, whether they be on transport or native housing, or will the government move unilaterally in the same way as the minister's colleague, the Minister of Transport, has moved unilaterally to cut 20 per cent of VIA Rail's passenger service in Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am very pleased to respond to questions relating to matters concerning western Canada because I think we are taking a number of very important measures in that area. In direct response to the hon. member, I remind him of the statement made by the Prime Minister that the sooner the provincial premiers are prepared to get their own gumption up and to make statements about what they are prepared to support in the way of modernization of the western railway system, the better off we all will be, but they have been hanging in the woods. We have been waiting to hear from them as to what reforms they are prepared to support, and we will work with them on the basis of co-operation and consensus, as we always do.

* * *

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER GOVERNMENT IS WAITING FOR ANSWER FOR PROVINCE OF QUEBEC BEFORE NEGOTIATING

Mr. André Maltais (Manicouagan): Madam Speaker, in the absence of the Prime Minister and the Minister of Justice, my question is directed to the Minister of Energy, Mines and Resources. Considering statements made by the Prime Minister of Canada this weekend, when he said that he was prepared to reopen negotiations with Quebec on a number of pre-conditions which he had defined, and considering the fact that the Premier of the PQ government has apparently decided to drop the association formula, does the Government of Canada intend to await Quebec's official reply before starting negotiations with that government with a view to reaching an agreement? Second, is it still possible to recognize the PQ government as a valid or representative government—

Madam Speaker: Order, please. I am sorry, but constitutional matters are not the responsibility of the Minister of Energy, Mines and Resources.

* * *

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table Reports of the Clerk of Petitions, stating that he has examined the petitions presented by hon. members on Friday, November 13, 1981, and finds that they meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I rise on a point of order which involves the business of the House. As recorded at page 12743 of *Hansard* for last Friday, the government House leader said, and I quote:

> Furthermore by the beginning of next week—

That is, this week.

> —I shall be able to determine the business for next Thursday and Friday. Finally, the government intends to give notice very shortly of a new resolution on the Constitution, in view of the agreement concluded last week.

In Saturday's issue of *The Citizen* there appeared a report which seemed to be based on information from the government House leader that the constitutional resolution may well be brought on on Thursday. That was news to me. The government House leader will have heard the Minister of State for Mines today, in answer to a question by the Leader of the New Democratic Party, say that we may very well know by the end of today when the new resolution will be brought on. I wonder if the government House leader would take us into his confidence and inform us whether the new resolution is ready. If it is not, when is it likely to be ready, and when does the government House leader intend to bring it in? Will we be using Thursday and Friday of this week for debate on that new resolution?

[*Translation*]

Mr. Pinard: Madam Speaker, I want to give the hon. member for Yukon (Mr. Nielsen) the assurance that as soon as notice of the new resolution is given, I shall send him a copy and I shall not wait until he has been informed through other channels. The same applies to my learned colleague of the New Democratic Party, the hon. member for Hamilton Mountain (Mr. Deans). When are we going to give formal notice of the new resolution? Probably at the beginning of this week, and I consider tomorrow as still being the beginning of this week. Are we going to start the debate on the Constitution on Thursday morning? As I pointed out, that is a real possibility, but I cannot confirm this today. I can assure the hon. member that as far as the business of the House for today, tomorrow and Wednesday is concerned, the House knows there will be a debate on the budget, in all probability there will be votes of non-confidence this evening and Wednesday evening, and I shall try to advise the hon. member as soon as possible of the order of business for the days following Wednesday. That is the situation. Once more, I would like to assure my colleagues that as soon as notice of the new resolution is given, either later today or more probably tomorrow, I shall make sure they are sent a copy of the resolution as soon as possible, for their consideration, and we shall then meet in order to try to reach agreement on conditions for a reasonable debate.

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, the hon. member for Manicouagan (Mr. Maltais) asked a question to the hon. Minister of Energy, Mines and Resources (Mr. Lalonde) concerning the constitutional negotiations in Quebec. I was ready to reply to his question and wanted to assure him that the Right Hon. Prime Minister (Mr. Trudeau) was—

Madam Speaker: Order, please! I am very sorry not to have seen the hon. member rise in an attempt to reply to the question. I should probably have seen him, but I was looking at the Minister of Energy, Mines and Resources to whom the question was directed. I am very sorry, but the hon. parliamentary secretary will probably have another opportunity to ask a question and I shall be very happy to recognize him at that time.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (C), 1981-82

A message from His Excellency the Governor General transmitting supplementary Estimates (C) with regard to the sums required for the public service of Canada for the financial year ending March 31, 1982 was presented by the Hon. Donald J. Johnston (President of the Treasury Board) and read by Madam Speaker to the House.

[*English*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, following the tabling of those Supplementary Estimates (C) I wish to move—

Mr. Nielsen: Madam Speaker, I believe it is customary to ask the minister introducing the supplementary estimates for his assurance that they are in the usual form.

[*Translation*]

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the estimates being tabled are in the conventional form.

[*English*]

Mr. Pinard: Madam Speaker, I therefore move:

That the Supplementary Estimates (C) 1981-1982, tabled November 16, 1981, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture Votes 5c and 15c

To the Standing Committee on Communications and Culture:

Communications Votes 1c, 5c, 10c, 15c, 10c, 30c, 35c, 50c, 60c, 65c, 70c and 75c

Secretary of State Votes, 1c, 5c, 15c, 25c and 30c

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes, 1c, 5c, 10c, L16c, 25c, 30c, 35c and L40c

To the Standing Committee on Finance, Trade and Economic Affairs:

Economic Development Vote 1c

Finance Votes, 1c, 2c, 11c, 25c and 30c

Industry, Trade and Commerce Votes 1c, 5c, 10c, L41c, 45c, 55c, 60c and 63c

Privy Council Vote 20c

To the Standing Committee on Fisheries and Forestry:

Environment Votes 1c, 5c, 10c and 20c

Fisheries and Oceans Votes 1c, 5c and 10c

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1c and 5c

National Health and Welfare Votes 1c, 10c, 15c and 40c

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 1c, 5c, 15c, 20c, 25c, 30c, L51c, 55c, L66c and 68c

To the Standing Committee Justice and Legal Affairs:

Justice Votes 1c, 5c, 10c and 35c

Solicitor General Votes 1c, 5c, 20c and 25c

To the Standing Committee on Labour, Manpower and Immigration:

Employment and Immigration Votes 15c, 10c and 15c

Labour Votes 1c, 10c, 15c and 25c

To the Standing Committee on Management and Members Services:

Parliament Vote 5c

To the Standing Committee on Miscellaneous Estimates:

Privy Council Votes 1c and 15c

Science and Technology Votes 1c, 5c, 10c, 15c and 30c

Secretary of State Vote 35c

Supply and Services Vote 5c

Treasury Board Votes 1c, 5c and 15c

Order Paper Questions

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1c, 10c, 30c, L51c, 55c, 60c, 65c, 70c and 75c

Public Works Votes 5c, 25c, 40c, 50c and 60c

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 1c and 10c

To the Standing Committee on Transport:

Transport Votes 35c, 40c, L45c, 71c, 85c and 105c

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1c, 5c and 10c

[*Translation*]

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1510)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,011, 3,046, 3,048 and 3,163.

[*Text*]

GUARANTORS FOR PASSPORTS

Question No. 3,011—**Mr. Cossitt:**

Will the Department of External Affairs be revising the list of those permitted to act as guarantors on passport aplications to include such additional categories as (a) Justices of the Peace (b) Commissioners of Oaths?

Hon. Mark MacGuigan (Secretary of State for External Affairs): See reply to question No. 3,010 answered November 6, 1981.

FOOD SERVICE CONTRACT

Question No. 3,046—**Mr. McKinnon:**

Was a food service contract let for $96,793 at Sidney, British Columbia and, if so, (a) for what purpose (b) was it for food and, if so, what amount?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract, on behalf of the Department of National Defence, to Glacier Catering and Bar Services Ltd., in the amount of $96,793. The contract was for the provision of catering services at the cadet camp at Patricia Bay, Sidney, B.C., DND provided the food.

DND PURCHASE FROM ALBERTA LIQUOR CONTROL BOARD

Question No. 3,048—**Mr. McKinnon:**

Did the Department of National Defence buy rum from the Alberta Liquor Control Board at a cost of $29,400 and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract, on behalf of the Department of National Defence, to the Alberta Liquor Control Board, for the initial amount of $29,400, plus an additional amount of $1,764, for a total amount of $31,164. The rum was purchased for the Canadian Forces Base Calgary, who issues the rum to military personnel on field exercises, living under canvas, during arduous weather conditions.

CONTRACT WITH REMTEC INC.

Question No. 3,163—**Mr. McKinnon:**

Did the Department of National Defence place a $20 million contract with Remtec Inc. for aircraft refueller trucks and, if so, how many trucks are being purchased?

Hon. J.-J. Blais (Minister of Supply and Services): Yes. DSS, on behalf of the Department of National Defence, awarded a contract for the amount of $20 million to Remtec Inc. for 157 aircraft refueller trucks.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Friday, November 13, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, and the amendment of Mr. Wilson (p. 12752), and the amendment to the amendment of Mr. Rae (p. 12756).

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I rise to participate in this budget debate with enthusiasm and with a good deal of satisfaction.

Miss MacDonald: You are the only one in Canada.

Mr. Nielsen: How about hope?

Mr. Johnston: The budget tabled in this House by my colleague the Minister of Finance (Mr. MacEachen) on November 12 was by no means just an ordinary budget. It is not a budget which simply closed off a plethora of tax loopholes in order to provide more tax dollars to the government's treasury and, of course, to the treasuries of those provinces with which we have tax collection agreements. It is a budget which I believe in some respects represents a philosophical

turning point in the fiscal policy of the government, a philosophy which I personally have long espoused and one which to a considerable degree inspired me to enter politics in the mid-1970s.

Fiscal policy has long been for me a personal preoccupation. I believe that the fiscal policy of a nation, both on the tax side and on the expenditure side, tells us a great deal about the fundamental values of a particular society. I have long held the belief that our tax system, the one that emerged from so-called tax reform in 1971, has remained replete with inequities, anomalies and complexities, all of which I believe have served to weigh heavily upon the morale of Canadian taxpayers and perhaps to some degree even on the morality of Canadians.

I committed some of my criticisms to writing in a book on tax reform back in 1974 because I was convinced at that time that we were moving in the wrong direction. I believe that tax reform since that time has remained important. It is as important in 1981 as it was in 1971. The budget that was tabled by my colleague, the Minister of Finance, on November 12 is a very important step in that process of tax reform, a step which I hope will be pursued in successive budgets.

[*Translation*]

Mr. Speaker, there are many fiscal matters of which I would like to speak this afternoon. While I would wish to make a detailed examination of several aspects of the budget calling for a fundamental reform of our taxation system, I shall make only one rather general but in my opinion extremely important comment.

In my own experience as a tax law specialist and in the experience of my former professional colleagues in Canada and even in the United States, it is very obvious that marginal tax rates over 50 per cent have brought some taxpayers to look for loopholes to protect themselves against what they see as an undue appropriation of their own income. These loopholes have been used as much as possible because of the complexity of our legislation and of the tax burden imposed on our taxpayers. This is a way of thinking which I understand very well, Mr. Speaker, and I spent much of my professional life creating tax shelters or havens.

Mr. Speaker, can you imagine anything less positive than these efforts by professionals to make use of the loopholes in our tax laws? However, with taxation rates over 50 per cent, Canadian taxpayers will inevitably make every effort in this regard. I am convinced that, with a fair and equitable tax system where the rates do not exceed 50 per cent, there will be a significant reduction in the efforts made by taxpayers to evade the law. It is in that spirit that I wrote late in December 1976:

[*English*]

There is good authority for the view that a taxpayer's resistance to the expropriation of his income by government will increase when the tax rate exceeds 50 per cent. I believe this view has been reinforced through a recent experience in the United States where the highest tax rate on income at the federal level is now 50 per cent. Recently a U.S. tax attorney advised that with the introduction of a maximum 50 per cent rate, many of his clients have abandoned tax avoidance schemes and are reconciled to paying 50 per cent of their earned income to the federal government. Because of this it may well be that more taxes are in fact collected where a 50 per cent maximum rate exists.

[*Translation*]

Mr. Speaker, that is one of the reasons for my satisfaction today and, before completing this secondary point, I should like to emphasize that the review of our tax system, an extremely significant stage of which is represented by this budget, would result in the elimination of those tax shelters and other kinds of loopholes so that our system will finally be simple and fair. This would also spur the innovative spirit of Canadian businessmen and the creation of capital, thus paving the way for an economic plan from which every Canadian would derive major benefits.

[*English*]

I hold the personal conviction that the taxation system is the single most important element of economic growth. That growth depends upon the successful marriage of capital resources and labour and that marriage can only be brought about by the efforts of our entrepreneurs, our innovators. The tax system must contribute to the formation of capital through appropriate incentives to save. It must be the principal vehicle that brings capital and labour to the resources. The tax system must be perceived as fair and equitable by Canadians and by Canadian workers. Finally, it must contain rewards for the risk-takers, our entrepreneurs who have successfully brought Canada from the wilderness to the forefront of the industrialized countries of the world.

I believe that this budget is in many respects a major step in the direction of satisfying all those objectives. It will contribute to productivity, economic growth, job creation and reduced inflation.

In my concern for fiscal reform, I am also riding another hobbyhorse, which was another factor which convinced me, and I am sure others, to enter the political process. I am referring to the other side of fiscal policy, the expenditure side. I was convinced before I came to this place, and I am even more convinced now that I am here, that our clients, the Canadian taxpayers, are prepared to be generous with their tax dollars provided they see value for their money. When they perceive wasteful expenditures, or if they perceive a lack of controls, or when the Auditor General of this country tells them, as he did in 1976, that their parliamentarians have lost control or are about to lose control of the public purse, then the resistance of taxpayers to taxation is increased.

Mr. Beatty: Have you seen this ad in today's *Globe*?

Mr. Johnston: They take it upon themselves to exploit every conceivable tax loophole so as to frustrate what they call the insatiable appetite of wasteful big government.

Mr. Beatty: $16,000 for this ad alone in today's *Globe*.

Mr. Johnston: Unfortunately, that perception of big wasteful government remains the perception of many of my constitutents and it is this same perception, I suggest, which

causes Canadians to call for greater government expenditure cuts.

As I shall demonstrate in a few moments, my responsibilities as President of the Treasury Board extend to a wide range of reforms in these areas in terms of the accountability and management of the public service. I have spoken at some length upon these matters in this House in the past. In a moment I shall describe some significant developments since my last report. All must be placed in the context of a firm commitment by this government to accountability and providing taxpayers with value for their money so that the perception which I referred to of wasteful expenditures which developed in the past will be eliminated. I am not asking for elimination of the perception simply on the basis of rhetoric and stated intentions, Mr. Speaker, but only on the basis of performance, which I believe we will be able to demonstrate to the satisfaction of parliamentarians and to the satisfaction of the public. We have not reached our destination, but we are well on the road.

• (1520)

Before I review with the House some of these initiatives and programs, I should like to refer to a specific request which is referred to in the budget speech of the Minister of Finance, as described on page 27 of the document entitled "The Budget in More Detail."

[*Translation*]

More precisely, Mr. Speaker, the Minister of Finance has asked Treasury Board to cut by $100 million the government's annual administrative and general expenses. Mr. Speaker, that is indeed a challenge which I accept with enthusiasm and upon which we have already set our sights. Without overstressing the difficulties and the efforts required to reach that objective, Mr. Speaker, I commit myself not to stop at the $100 million mark should I find ways to save more without jeopardizing the services we are expected to offer to the public. I have already been asked where we shall apply the axe to make such savings. As I said in the past, Mr. Speaker, our policy is not to use an axe but rather a scalpel. What it means is that we will scrutinize specific fields where it is possible to make those savings. By way of example I would simply mention the fields of telecommunications, printing, photocopying, travel expenses and others. We have launched several studies and I am confident that, under the guidance of experts in the secretariat and the office of the Comptroller General, my colleagues in Treasury Board and I will be able to deliver the goods.

[*English*]

I should like to refer to the progress which the government has been making in reforming the management of the Government of Canada in general. Hon. members will recall that on March 31, 1981, I tabled a progress report to Parliament entitled "Accountable Management". That document outlined the reforms which have been instituted by the government during the past four years and, in particular, set out the government's response to the final report of the Lambert Royal Commission.

Today I am pleased to make a further progress report to the House. In doing so, I shall speak on behalf of my cabinet colleagues and on behalf of Treasury Board, which functions as the principal management area of government.

"Accountable Management" discussed government action in relation to the royal commission's recommendations and proposals under seven broad categories. In reporting on progress today, I shall follow those seven broad categories. They are as follows: The concept of a fiscal plan; second, a discipline on the resource allocation process related to the fiscal plan; third, accountability of government to Parliament; fourth, accountability within government; fifth, accountability and efficiency in the administration of financial systems; sixth, accountability and efficiency in human resource management; and seventh, a continuing strategy for reform.

[*Translation*]

Honourable members will have noted that in last week's budget, my colleague, the Minister of Finance followed a practice started with last year's budget, namely the introduction in Parliament of a financial plan covering several years. As indicated in the document entitled "Accountable Management" which I just quoted, the 1980 financial plan covered four years instead of five, as was recommended by the Lambert Commission. But in 1981 we have a five-year plan. The publication of this financial plan therefore complies with the first of the two basic recommendations of the Lambert Commission, namely that the government project over several years its profits and expenditures for specific functions. That is a first and essential step towards ensuring parliamentary control over public expenditures and it is the basis upon which we can ensure responsible management within government.

The second basic recommendation of the Lambert Commission was to conduct an in-depth review of the definition and division of responsibilities in public administration so as to provide cabinet with the information it requires to limit public expenditures, and to ensure that departments and organizations follow sound management practices to provide taxpayers with adequate value for their tax dollars.

The policy and expenditure management system described in "Accountable Management" which is being applied for the second year, has an increasing influence on the procedures followed by government in establishing priorities, and arriving at necessary compromises between departments sharing the available resources, to ensure that programs are managed according to a results oriented approach.

[*English*]

Hon. members will recall, Mr. Speaker, that I recently sought their reaction to the new form of the estimates which has been developed by the Comptroller General. The government intends to proceed with this very important project. Not only will it provide Parliament with financial and program information in a more useful form, but it will also provide the

basis for results-oriented management of departmental programs.

The Comptroller General has also proceeded with improvements in systems for the management of financial resources. I shall refer to these systems in greater detail in a moment.

The Lambert report and the report of the Special Committee on Personnel Management and the Merit Principle, the D'Avignon report, both recommended a major realignment of the roles and responsibilities of the central agencies in the management of human resources and proposed a series of reforms in the personnel management function.

In addressing the roles of the central agencies, the government recognizes that the Public Service Commission derives its authority from the Public Service Employment Act while the Treasury Board's authority in the field of personnel management derives from the Financial Administration Act on one hand, and the Public Service Staff Relations Act on the other hand.

A comprehensive review of all aspects of the personnel function in the light of these statutory authorities has resulted in the text of a formal agreement between the Public Service Commission as an agency which is accountable directly to Parliament, and the Treasury Board on behalf of the government. This agreement reviews the whole field of personnel management and identifies those functions over which each agency has exclusive authority, those functions for which each agency has responsibilities which have been delegated from another agency, and finally, those functions for which both agencies have shared interests and responsibilities.

In my opinion, Mr. Speaker, this represents a major advance in resolving the uncertainty on the relative roles in personnel management. This uncertainty has existed in the public service ever since present legislation was enacted. In the functions which are shared between the two agencies, it has been agreed that Treasury Board should have the lead role and that major policy statements should be issued solely in the name of the Treasury Board, with acknowledgement obviously where applicable, that the policy has been developed in consultation with the Public Service Commission. One very practical result of this is that there is to be a single Handbook for Managers on Personnel Management.

● (1530)

A further step is to thoroughly overhaul the personnel Management Manual of the Treasury Board and to incorporate the Staffing Manual of the Public Service Commission so that there will only be one personnel management manual in the public service. The Secretary of the Treasury Board and the Chairman of the Public Service Commission will be jointly communicating details of this agreement to all departments and to all agencies of the public service.

The agreement in question also covers the roles to be played by the central agencies and deputy heads in the administration of the new management category, the creation of which has now been completed. Of course, it is very important to ensure that firm, co-ordinated leadership in career planning for this vital management resource is evident from the outset.

Also hon. members will recall that the Lambert and D'Avignon reports recommended that the whole staffing function be transferred from the Public Service Commission to the Treasury Board. The government is confident that such a drastic measure should not be contemplated at this time because it would cause a disruption for several years in a personnel system which is already heavily burdened by change. The government believes it will be far better to undertake further reforms in the personnel function on the basis of the substantial agreement on roles which has now been reached between the Treasury Board and the Public Service Commission.

In addition to this update on accountable management, I should like to report to hon. members on some activities of the Office of the Comptroller General. It is particularly important that I deal with the activities of the Comptroller General during the course of the budget debate because they are fundamental to achieving our primary objective on the expenditure side of fiscal policy; that is to say, value for money, value for our taxpayers' dollars.

[*Translation*]

To begin with, I should like to refer to IMPAC, which is short for "Improvement in Management Practices and Controls", a major initiative of the Comptroller General designed to make sure that departments conceive, implement and use sound management practices, in other words, to make sure that objectives are defined as clearly as possible, that activities are planned, that the ensuing activities are checked against those planned, and that the results obtained are assessed.

To be effective, the various steps of all sound management practices must be integrated. For instance, good control is based on sound planning and the setting of relevant objectives depends on a clear review of past experiences. From this definition, it is clear that this system is neither a new management theory nor a solution geared to special problems within the civil service, but rather a means of improving management permanently and economically. This approach requires close co-operation between the office of the Comptroller General and departmental managers in order to identify the shortcomings of management practices, conceive an integrated plan of action to correct the identified shortcomings, and implement the plan of action.

[*English*]

I want to stress the comprehensiveness of the IMPAC approach. In the past it would seem that concerted efforts to strengthen one element of good management tended to occur at the expense of neglecting others. Because IMPAC insists on the integrity of a department's management processes, it is essential to set priorities for improvement and to phase in the required action with a clear view of the whole context.

The scope and complexity of the IMPAC project are formidable. Let me give examples. First, at the moment IMPAC embraces the 31 largest departments and agencies of govern-

ment which together account for 85 per cent of total government expenditure, excluding debt payments, and 95 per cent of public service employees.

Second, the action plan of a typical department includes dozens of projects involving hundreds of person-months of effort and several million dollars, spread over three to five years.

Third, the action plan addresses problems which are inherently difficult to overcome, for instance, measuring performance in areas where the products are very hard to quantify, such as scientific research or policy formulation.

Another problem is the sheer size and diversity of the operations of many departments. This poses technical obstacles to the installation of management reporting systems in order to meet the information needs of various levels of management without becoming impossibly complicated.

Fourth, and perhaps more importantly, implementing IMPAC depends on changing attitudes and work habits, a process which never occurs easily or quickly.

Finally, comprehensive management improvement requires a sustained act of vision and will. In the dynamic environment of the public service, with frequently changing priorities and personnel, it is challenging to keep a long-term initiative of this importance focused on the real problems of individual departments.

Bearing in mind the nature of IMPAC which I have just described, let me quickly review for the benefit of hon. members of the House what has actually been accomplished in the three years since the Comptroller General launched this initiative. First, there have been surveys of all but two of the 31 departments included in the IMPAC study. They were completed in the spring of 1980. The thirtieth was completed this spring, and the thirty-first is now underway. As I described earlier, comprehensive action plans now exist for 25 departments. They have been endorsed by the Office of the Comptroller General; six more are expected over the next couple of months.

Implementation progress varies widely among departments, as some might expect. In some we are beginning to see much improved management practices. For example, in the Department of Public Works, this means setting up the systems needed to implement revenue dependency which, as hon. members are aware, cabinet approved in principle earlier this year. For the Canadian Employment and Immigration Commission, this means action to reduce over and underpayments of unemployment insurance benefits.

In the few moments which remain I should like to refer to some of the other initiatives. Program evaluation is absolutely fundamental to good, solid management practices. This is well established. Quite recently I issued a guide to program evaluation which was distributed to parliamentarians. Time does not permit me to devote the time to program evaluation that I would like. The same is true of internal audit. It is well advanced, but again the time remaining does not permit me to give hon. members of the House the benefit of a full report on the status of internal audit. I can assure the House that, in keeping with the recommendations which have come forth from the Auditor General and the Lambert commission over the years, we are well advanced.

I have already referred to the reform of the estimates. Of course, Members of Parliament have concrete evidence of that reform through the projects tabled in the House and distributed by me to all members. What all these initiatives have in common is strengthened accountability. Particularly in times of economic hardship governments must set an example by finding ways to do more with less.

Mr. Nielsen: When will you start?

Mr. Johnston: The initiatives I have described today are providing Parliament and the government with the tools needed to do that job.

Mr. Beatty: Convince the taxpayer of that.

Mr. Johnston: In conclusion, the fiscal management of Canada is moving ahead on all fronts.

Mr. McDermid: You cannot even keep a straight face when you say that.

Mr. Johnston: Indeed it is.

Some hon. Members: Oh, oh!

Mr. Johnston: I should like a little order, Mr. Speaker. I hope hon. members would like to be educated on the reforms which are taking place. Fiscal management is moving ahead efficiently, creatively, responsibly and, above all, is responsive to the needs of Canadians. My colleagues and I congratulate the Minister of Finance for responding so directly to the plight of those Canadians who are suffering from high interest rates, for the thrust of restraint and deficit reduction, and for the very creative steps toward long overdue tax reform.

● (1540)

On the expenditure, management and accountability side, I am sure that my remarks today on the status of our ambitious government-wide reforms on financial accountability, personnel management and management practices will satisfy members that this government is well on the road to obtaining more value for the taxpayer's dollars.

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. Joe Clark (Leader of the Opposition): Mr. Speaker, I am very pleased to have the opportunity to take part in this budget debate. I regret the absence of the Minister of Finance (Mr. MacEachen), but I understand that he is unavoidably absent today.

[*English*]

I regret it in particular because I find it almost impossible to address the budget without some reference to its author, since,

unfortunately, I think one of the major deficiencies in the budget reflects the approach that has been taken to this House and to the question of the economy by the Minister of Finance.

What we are dealing with here, Mr. Speaker, is probably the most dishonest budget ever introduced in Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The Minister of Finance has deliberately cultivated a reputation as a man of cunning, a man who will never give us a straight answer. I think we on this side of the House have to say that has served him well as a minister who did not want to answer questions but, sir, a different standard is expected of a Minister of Finance; that is, a standard of honesty.

The millions of individuals whose private economic decisions make our economy falter or make our economy grow must be able to trust the word of the chief economic spokesman of government. It his word cannot be trusted, then they will delay their economic decisions, whether those are individual decisions to get new training, to seek to buy a new house, to start a business or to make major investment decisions about whether to invest in Canada or elsewhere, whether to start a megaproject or delay it. Sir, where there is no trust there is no economic progress.

While this project has done immense immediate harm to hundreds of thousands of individual Canadians, while it has done harm that is literally irreparable to many of our fellow citizens—many of the people affected by this budget will never get over its impact upon their lives—the deepest damage it does is the damage to Canada's future.

We have become accustomed to Liberal budgets which have failed to build on the creative capacities of our people or our country, and that is bad enough. What is worse about this budget is that it is so tricky, so untrustworthy, so dishonest as to make it impossible for anyone to believe the word or count on the future actions of the Minister of Finance or a government which makes him its principal economic spokesman.

That is not simply the opinion expressed by members of this House; that is the opinion of the stock market. The stock market has already registered its official response. It fell 39 points after the budget came down and now, after investors have had an opportunity to consider the impact of the budget over the weekend, it has fallen another 32 points. That is after people have read the fine print in the budget.

We know that across the country and, indeed, across the world people are sitting down this very day and reading that budget. They are reading the fine print and trying to decide whether to cancel or carry on activities which would have created jobs and growth and which might have created confidence and progress in Canada.

Some of the early decisions have been taken already, in the immediate aftermath of the budget. It is difficult to get current reports on the response to a budget which came down only on Thursday. Naturally, some of those responses have been in the housing field first, the field where there is real urgency to get on with development and construction.

I regret to report to the House that in Winnipeg Mar-West has stopped plans for a 1,500 unit apartment development because of the Liberal budget brought down on Thursday night. In Vancouver, Inter-West has stopped plans for a total of 605 duplex and apartment units because of the budget brought down on Thursday night by the Liberal government. Again in Vancouver, Community Buildings has stopped a total of 261 duplex and apartment units because of the budget brought down by the Liberal government last Thursday night. A total of 460 units in London, Ontario, and 350 in St. John's, Newfoundland have been stopped because of the budget brought down by the Liberal government on Thursday night. In total, in one day the Liberal budget brought down by the Minister of Finance has caused over 3,000 units of housing to be cancelled in this country. Those were units of housing under construction before the budget was brought down; they were under construction even at a time when it was risky to engage in that kind of enterprise. Now, as its latest contribution to the housing crisis in this country, the Liberal government has brought in a budget that has caused 3,000 units that were under construction to be withdrawn from the market available to Canadians.

That is the first wave of decision, Mr. Speaker—a reversal of plans to develop things, to build things, to make this country go. That is the first wave of plans that have been changed as the result of this budget.

Other decisions like that are going to come about; that is as certain as anything we know in this House. In some cases decisions will be reversed because programs that Liberal governments introduced as incentives have been abruptly cut off; in other cases because individuals or enterprises will simply decide that they cannot invest in a country whose government they cannot trust.

As we in this House know, the trustworthiness of this government is already in tatters as a result of its breaking its word on wage and price controls and because it opposed an 18 cents per gallon increase in the price of gasoline and then introduced a 65 cents per gallon increase in the price of gasoline.

Some hon. Members: Hear, hear!

Mr. Clark: This budget carries deceit a step further. It quite deliberately tries to fool the people of Canada about the basic purposes and impact of the budget.

Let me contrast some of the minister's claims with the truth, Mr. Speaker. He says that the purpose of his tax changes is to "improve the fairness and equity of the system." The truth is that he is providing no new tax credits for those low-income Canadians who pay little or no tax. He is cutting the tax rates only at the top income levels. He is raising taxes for all single workers who earn in excess of $17,000, including the heads of single parent families, and he has smuggled in a bundle of new taxes that hit hardest at the ordinary working man and woman in this country.

He claims that this is a budget of restraint. The truth is that government spending will increase by 22 per cent, that this budget sucks into the federal treasury the highest percentage of annual income since 1946, the first year of reconstruction, and increases government spending on virtually every item except health and post-secondary education.

The minister says that the main thrust of the budget is to fight inflation. The truth is that he plans to collect $4.2 billion more in energy taxes next year, virtually all of which will be inflationary, and his new taxes on employee benefits will guarantee new inflationary wage demands.

He says he has a plan for economic development in the 1980s. The truth is that his plan is just another promise of a couple of studies, a new bureaucracy and a vague commitment to consultation that, at best, will take us back to the sectoral studies of 1977-78, while job destruction proceeds apace in Canada and the megaprojects remain on the drawing boards.

● (1550)

He told the parliamentary task force on federal-provincial fiscal arrangements that he intended to cut his obligation to the provinces by only $1.5 billion in transfer payments for health, post-secondary education, social assistance and social services in 1982-83 and 1983-84. The truth is that he was preparing to cut that obligation by $1.9 billion during that period and a further $3.8 billion during the next three years.

The Parliamentary Secretary to the Minister of Finance (Mr. Evans) shakes his head, and I can understand why he would shake his head. Canadians across this country are shaking their heads at the deceit of this Liberal budget and the degree to which they have been betrayed by a government which not only had an obligation, but which had also given undertakings to come to the aid of Canadians.

Some hon. Members: Hear, hear!

Mr. Clark: Again, the Minister of Finance says that since 1973 Canada has been second only to Japan in terms of real growth. The truth is that between 1975 and 1980 we have ranked next to last in growth, despite the fact that we supply a larger share of our own oil needs than any of the six nations with which we are compared. Those are some of the differences between the minister's claims and the truth.

Perhaps the best way to judge this budget which masquerades as tax reform and as help for the ordinary Canadian is to look at exactly who is helped and who is hurt by this budget. The list of those who benefit is very short. The ranks of those who suffer include almost every Canadian.

To start, let us look at who this budget helps. First of all, and most of all, it helps the treasury of the federal government. From March 1, 1981, to March 1, 1983, the federal government will receive—I want hon. members to note this figure—$27.5 billion more on a national accounts basis. There will be an increase in its revenues of 52 per cent over two fiscal years. Therefore, the federal government is the big winner while individual Canadians lose their homes, their businesses, their farms and their hopes. While provinces are forced to cut back on schooling and health care, the federal government is looking after itself, taking money from the people of Canada, raising Ottawa's revenues by 52 per cent over two fiscal years.

Who else benefits? The rich who are on salary benefit. This budget proposes cuts in marginal tax rates for people with high incomes. Therefore, wealthy individuals who get most of their income from salaries will benefit from this budget. The general rule is that Canadians who earn salaries over $40,000 a year are likely to gain from this budget. They are the people who are helped, particularly if their salaries are their principal sources of income. Who else does it help? It helps deputy ministers, indeed. Deputy ministers are among the principal beneficiaries of this particular budget because they are in the category of people who are paid very well and who draw most of their income from salaries. Those are the people who benefit from the budget that was brought down by the Minister of Finance on Thursday. Almost everyone else in the country suffers.

Again, one group which is helped by the budget is the banks and other lending institutions which hold mortgages. They will be directly helped by this budget because they will get the guarantee on the mortgage renewal loans they extend to those home owners whom the government decides happen to be in dire straits. There is another small group which will be helped. It will consist of the new bureaucrats who are hired to decide just who among those home owners, farmers and small-business men in dire straits is eligible for the meagre relief the budget provides. That, by the way, is the only job-creation component I can find in this new budget. It proposes to set up a new group of bureaucrats to decide who in Canada is really in trouble and then distribute meagre pittances of money to those Canadians.

The final category of people who will be helped by this budget consists of the government's old friends, the tax accountants and the tax lawyers. They will do not quite as well as the federal government will, but they will benefit from a budget which causes most Canadians to suffer.

That is the little list, the very short list of people who will benefit from this budget which was brought down in the name of equity. It is an odd kind of equity when the highest paid public servant in Canada receives a tax cut of at least $700 a year while Canadians who are too poor to pay tax get no help at all.

Some hon. Members: Shame, shame!

[*Translation*]

The other thing for us to do now is to identify the victims. Who are they? First, the Canadians who will lose their job or who will not be hired because the budget does nothing to correct the current recession which is stifling the labour market. The main victims of the loss of job opportunities are young Canadians, people in the Atlantic provinces and Quebec and factory workers. These Canadians are penalized by this Liberal budget. Other victims include every Canadian family

that uses heating oil and drives a car. At the end of 1982 they will each have paid at least $900 in indirect taxes to the federal government since the last budget. Also, low income Canadians who have to bear an excessive tax burden are penalized by this Liberal budget, as well as renters who are facing a housing shortage with a potential black market in many urban areas of tremendous rent increases. Because of these increases, the budget discourages rather than promotes the building of rental housing in spite of a shortfall in rental unit construction in the last few years. Canadian renters will be penalized by this Liberal budget. Because the basic tax rate is reduced to $200, every single person in Canada, including single parents, with an income of over $17,000 a year will have to pay more taxes. No assistance will be offered to single people who make under $17,000. Moreover, energy costs for both groups will increase tremendously without any compensation being offered. These Canadians will be penalized by the Liberal budget. In addition, the average worker will see his real income decrease next year. For the fifth year in a row, this Canadian citizen will be penalized by a Liberal budget.

[*English*]

I want to speak for a moment about the provision as it affects employee benefits, because I think nothing better demonstrates the lack of equity in this fraud of a budget which has the effrontery to call itself a budget of equity. The minister spoke with some passion about closing the loopholes in the tax system. I think it worth noting in passing that what are called loopholes today by a Liberal government were called incentives yesterday by a Liberal government when they were introduced by that party.

Some hon. Members: Hear, hear!

Mr. Clark: However, there is an interesting statistic which exists in the government's own papers, the papers which were not read to this House but which were tabled. I recommend that every Canadian read the papers with some care. Fifty-four per cent of the people who will pay more because of these changes, this so-called closing of the loopholes, earn less than $30,000 a year.

Some hon. Members: Shame!

Mr. Clark: What is even more shocking is that 22 per cent of the people who will lose money as a result of this Liberal action earn less than $15,000 per year.

Some hon. Members: Shame, shame!

Mr. Clark: The benefits of which they take advantage are principally the employee benefits on which this government has come crashing down. Let us take a look at those employee benefits. Every worker whose employer contributes to Blue Cross will now have to pay a new Liberal tax on Blue Cross. Every worker whose employer provides a dental insurance plan will now have to pay a new Liberal tax on dental insurance. Every worker whose employer provides subsidized lodging, board or transportation to attract a work-force to remote areas will now have to pay a new Liberal tax on those employee benefits. Every salesman or saleswoman whose company provides a company automobile will now have to pay a new Liberal tax on that company car. Every worker—

Mr. Peterson: What's the matter with that?

Mr. Clark: I am asked by the well-to-do lawyer, the Member of Parliament for Willowdale (Mr. Peterson), what is the matter with people such as travelling salesmen, women selling real estate, where they can sell it in this country, often earning a second income to keep families going, being unable to claim cars provided by their companies as an employee benefit, the only benefit that allows them to work? What is wrong with that is that the Liberal measure will stop these people from working, or will be imposing a new tax upon low-income Canadians. That is what is wrong with that.

Some hon. Members: Hear, hear!

• (1600)

Mr. Clark: I can understand why the lawyer member from Willowdale is concerned about this. He is probably one of those who flies by government JetStar across the country either as a parliamentary secretary or as a guest of the government. These are untaxed government JetStars. Indeed, one of the few groups of people who are not subject to tax on employee benefits are ministers of the Crown and parliamentary secretaries who fly back and forth across the country on government JetStars, three at a time into the airport at Winnipeg.

Some hon. Members: Hear, hear!

Mr. Clark: The Liberal party thinks it is just fine. We hear a great deal of heckling from the minister of state responsible from time to time for finance and from the government side. They are all for Liberal taxes on Blue Cross, for Liberal taxes on dental care and for Liberal taxes on automobiles used by travelling salesmen in the country. But what they want to protect are cabinet ministers who fly one JetStar at a time to Winnipeg, often for Liberal party purposes.

Some hon. Members: Hear, hear!

Mr. Clark: We are not finished with the list of people who are affected by this new Liberal tax on employee benefits. The language of the law is not quite clear in the documents brought down. We will have to wait and see what it is as we get into more debate, but it occurred to me on the basis of what is available in the documents now that every worker whose employer maintains a daycare facility may now be forced to pay a new Liberal tax on daycare in this country.

Miss MacDonald: Shame.

Mr. Clark: It also appears that every worker who is let go from his or her job may now have to pay a new Liberal tax on severance pay as a result of the budget brought down by the Minister of Finance last Thursday night. Those are some of the people who will have to pay.

There are other victims of this budget brought down last Thursday night. There are the small business proprietors who used the Small Business Development Bond to get capital below market rates to expand their enterprises and provide new jobs in Canada. They will now be able to get capital only if their businesses are about to go into bankruptcy. It is no longer a development bond, it is now a small-business survival bond, and a group of bureaucrats, the only new people hired by this government, are going to decide who gets to survive in the small-business community and who is forced by Liberal economic policy to go under.

Among the others who suffer from this budget are the poor who pay no income tax. They will obtain no new benefits from this budget while the burden of indirect energy taxes will continue to rise and health services may deteriorate because of the reductions in established programs financing. Those low-income Canadians across the country are going to be hurt by the budget that was brought down and they will be hurt directly.

Again, the reductions in the established programs financing will also increase pressures for lay-offs at hospitals and post-secondary institutions across the country. People whose jobs are in jeopardy because of this budget brought down on Thursday night are among those who will suffer.

Young people who will not be able to find a job may not be able to attend community colleges or universities because the established programs funding reduction may result in higher tuition fees or in a shutdown of departments or programs in institutions close to where they would attend. Those young Canadians are in need of training so they can help build our future. Those young Canadians will suffer and be hurt because of the budget brought down by this Liberal government last Thursday night.

Farmers will see the energy portion of their costs go up while commodity prices fall and the grossly inadequate financial assistance provided by the budget is available only after farmers are in "financial distress". Therefore, most of the farmers in Canada will suffer as a result of the budget that was brought down.

Home owners who lost their homes or were forced to renew mortgages before September 1 at rates which sharply reduced their standard of living will get no help at all from this government. They, too, are people hurt by the budget that was brought down last Thursday night, despite all of the empty promises made by the minister responsible for housing. Of the 920,000 households renewing mortgages after the cut-off date at sharply higher rates, less than 2 per cent will get any help and they will have to take on additional debt burdens before they get that help.

Let me deal with the most cruel deceit of all in this deceitful budget, namely the minister's claim that it helps those Canadians who are suffering directly from the impact of this government's own high interest rate policy. I think it important that every Canadian home owner, every Canadian small-business man and every Canadian farmer know exactly what this government is doing to them by this budget which increases so dramatically the revenues of the federal government and increases so dramatically the hardship of the ordinary, average Canadian.

Every member of this House knows the dimension of the crisis facing Canadian home owners. We on this side of the House have been raising the matter day after day through questions, through petitions and through demands for action from the government. More than 900,000 of our fellow Canadian citizens are facing mortgage renewal within the next 12 months, a period during which, by the minister responsible for housing's own figures, interest rates will remain at or near their present punitive levels. Even the minister responsible for housing, who by now should be the resigned minister responsible for housing, admits in his own department's documents the following:

> —mortgage interest rates have now reached the point where it cannot be argued that the incidence of hardship of renewal is minimal.

It cannot be argued that that hardship is minimal. That is the minister's own statement. There are 900,000 Canadians facing what the minister admits is more than minimal hardship. And what does the government offer? By its own figures, it proposes programs that at the maximum will affect some 12,500 families.

We have heard a great deal about dire straits, Mr. Speaker. As I travelled across the country through community after community, people kept telling me that their community's name had been changed to "dire straits". The people from Kelowna came to me and told me that Kelowna is an old Indian word for "dire straits". We may not know exactly where "dire straits" is, but we now know the population. The population of "dire straits" is 12,500 people, and that is all. That is the only group of Canadians in danger of losing their homes which this government proposes to help.

At most, one out of every 75 Canadians facing mortgage renewals at these astronomical rates will get any help from this government. One out of 75 is barely a third of the almost 40,000 Canadians which the minister responsible for housing, again in his own documents, admits already have to pay well over 30 per cent of their family income in mortgage payments. Again, if I might, let me quote what the minister said in speaking about these people. He said:

> Their choices are to pay a very large proportion of their income to retain their house, try to sell their home or just walk away and face foreclosures.

This government has sealed the choice for two out of every three of those Canadians. Those Canadians can either sell or walk away from their homes.

But what about that minority which the government says it is going to help meet soaring mortgage costs? For most of them the government, in fact, is providing no help at all. It is saying to them: "You go deeper and longer in debt by adding additional interest costs to your mortgage, and if you then find you cannot carry that kind of debt load, we will bail out the lender." That is exactly what the so-called guarantee program is about. It is not a home assistance program at all; the government has brought in a bank protection plan.

We have all heard the Minister of Finance during the past couple of weeks waging his phoney war of words against the banks. Then he brought in his budget, the budget in which he could have done something about the banks he was criticizing if he had been serious. He did do something; he protected the banks while sentencing thousands of Canadians to the almost certain loss of their homes.

● (1610)

I have just been handed a note, Mr. Speaker, which states that the stock market has gone down today by some 50 points. That is a total drop of 86 points since the MacEachen budget was brought in. That gives us an indication of what the budget has done to the confidence of those people in Canada whose confidence is essential if we are to continue to grow, to provide jobs and to realize the potential of this country.

[*Translation*]

And now, Mr. Speaker, I would like to comment on the situation of renters. Let us see how the government is helping tenants, a group that will become even larger when thousands more Canadians will be obliged to leave their homes and move to apartments. In his own documents the minister responsible for housing says that 105,000 Canadians are obliged to spend more than 30 per cent of their disposable income on housing. One reason is the housing shortage that exists in practically all Canadian cities. According to the government's figures, vacancy rates are at their lowest levels in five years. The government's response is to provide loans for exactly 15,000 new rental units next year. This does not even cover the requirements of our major cities. What about requirements throughout the country? As a result of these loans, the average rent for these units will be about $600 per month. To make matters worse, it seems the Minister of Finance is taking away the MURB program with the other hand. The result will be a reduction in the amount of capital available for the construction of new rental units, far beyond the 15,000 units being offered.

Because of this government and this liberal budget, not more but fewer new rental units will be built next year. It is not exaggeration to say that because of these liberal policies, the very existence of the housing industry in Canada could be threatened. This is a budget that is leaving hundreds of thousands of Canadians in a truly desperate situation. To all Canadians on low or fixed incomes, who are faced with massive increases in energy and housing costs, the budget does not offer a penny's worth of assistance. For all Canadians to whom the Minister responsible for housing said to wait until the budget was brought down before deciding what to do with their homes, the message is now very clear. As the minister said so succinctly: Sell or drop the whole thing. To all small-business men and to farmers whose way of life is being threatened, the budget says: Sink or swim, we are not going to help you.

[*English*]

For small-business men and farmers on the verge of bankruptcy as a result of this government's high interest rate policy, the story in this budget is sadly the same. The minister pretends to hold out a helping hand. That helping hand, it turns out, doubles into a fist to sock them in the face. The minister pretends to extend the Small Business Development Bond program to unincorporated businesses and farmers. In fact, he has gutted that entire program and virtually cancelled it. He now limits access to the program to those small businesses and farmers which the minister describes as being "in financial difficulty". It is no longer a development program at all. There is no longer access to that program for any farmer or small-business man who is in a position to develop or expand his operation. Access to that program is now available only to those who are bleeding to death financially. It is just the kind of business you would expect the banks to make even subsidized loans to. What this budget offers them is not a development program but a band-aid so that they can go on bleeding. For a measurement of the effectiveness of this program you have only to look at the government's estimate that it will cost the treasury only $20 million in the next two years compared with $200 million now. That means the government anticipates approximately one tenth as many loans under this program as there has been to date.

The impact on agriculture is as severe. There has been a proposal to increase the funding of the Farm Credit Corporation to about one tenth of the amount that our party proposed. We have done a quick calculation as to how many farmers will benefit from those Farm Credit Corporation lending arrangements. How many farmers will benefit by aid and money from the Farm Credit Corporation? The total number of farmers across the country who could benefit from Farm Credit Corportion aid is 225.

The small business development bond, with its strict limitation of aid to people who are already almost out of business and on the verge of bankruptcy, will benefit a pittance of perhaps 350 farmers. That means to the Canadian farming population, to people who keep this a food-producing nation and who have borne the cost and difficulty of trying to compete in inflationary times longer than most of us, that this government, whose green-hatted minister spoke through that green hat so eloquently about help that would be available to them, proposes to extend help to exactly 575 farmers across the country and the rest can go broke.

In addition, farmers could be among those Canadians who will be severely affected by changes in the averaging provisions brought in by this government. Farmers and others respond to incentive in a country like Canada, and do not seek out loopholes.

The minister spoke fiercely of closing loopholes. He spoke about it with all the rhetoric of someone embarking on another crusade. He forgot to mention that most of what he called loopholes were written into Canadian tax law by governments of which he was a member. Those governments called them incentives at that time.

I will not read these into the record today but I have available quotes from the Hon. Edgar Benson, Donald Macdonald and John Turner when they introduced these very loopholes the Minister of Finance is today crusading against. When these architects of Canadian tax loopholes introduced them, they were not called loopholes. They introduced them because they believed they would help Canadians go out and invest in the country, take risks, create jobs and make the country grow.

This House of Commons will have to scrutinize very carefully just what the effect of this part of the budget will be. It is my suspicion that it was designed by people who have an admirable zeal against abuse but an abysmal understanding of how these incentives are used by ordinary Canadians to make the Canadian economy grow and create jobs and opportunites for citizens across our country.

One example of this is the change in the capital cost allowance. This will yield the government, according to its own figures, almost $1 billion in new revenue. When the Hon. John Turner introduced that proposal, of which he was the architect, it was to stimulate Canadian jobs in the Canadian manufacturing industry and to help smaller enterprises across the country get on with the work of making Canada grow.

We know this change in the capital cost allowance will bring a billion dollars to the government in the first year, but we do not know what damage it will do to the economy. Before this Parliament approves the disintegration of that incentive we will want to know what damage it does to the Canadian economy and not just simply the richness it adds to the already fat federal treasury. Other members will want to pursue this question. I simply want to remind the House again that what the government now calls loopholes were very recently called incentives.

This budget hits dental plans and health plans in Canada and it may well hit daycare. It hits incentive to businesses which want to expand in this country. This budget, in the name of the crusade against incentive, may very well cut deeply into the capacity of the nation to grow.

Not only are health and dental plans affected, but this budget seeks to destroy employee share purchase and profit-sharing plans. It seeks to destroy them and undercuts them. What is the logic that causes the government to take a position in the budget against employee share purchase plans and employee profit-sharing plans? It makes it more difficult for Canadians with no pension plans to put money into retirement programs like RRSPs. Why? What is the logic of that in a society like ours? Even for this government of so-called economic nationalists it reduces the incentives for Canadians to invest in Canadian equities. It ends special allowances, at the end of next year, for those Canadians willing to work to develop our north. It makes every Canadian immigrant a second-class citizen when it comes to providing financial help to his or her family. As I indicated, it comes down hard on company automobiles used by all those "rich" Canadians like salesmen and local managers.

• (1620)

Mr. Peterson: You are wrong.

Mr. Clark: The parliamentary secretary tells me I am wrong. I will make a deal with him. If I am right and he is wrong, he can vote with us against his budget.

Mr. Peterson: Will you vote with us if you are wrong?

Mr. Clark: The Minister of Finance was on the television program "Question Period", and he was asked whether we are in a recession. He used a rather technical argument about not having two quarters together to indicate we are not in a recession yet, but he gave everyone to understand that he is working on it just as hard as he can and that he will have us there very quickly. Indeed, this is a recession budget. This is a document which not only pulls the economy down but also pulls down the state of enthusiasm of Canadians about our potential in this country. That is the stark reality of this budget. It was produced at a time when virtually every economic indicator available to the minister—growth rates, unemployment rates, the CPI, inventory and export figures, consumer confidence measurements—told him that our economy already was sliding into serious recession. Even his position of a year ago to do nothing and hope that the Americans would pull us out was no longer sustainable. His own documents forecast poor economic performance south of the border; yet, facing all that evidence, the minister offered nothing at all to make things better and a great deal to make things worse. Canadians are entitled to believe that this minister's real policy is that there is nothing like a good depression to correct economic problems.

As bad as the economic implications of this document might be, in some respects it is even more depressing for what it does to the deep and essential values of our society. Those of us on this side of the House and, I believe, the vast majority of Canadians believe that the ultimate strength of our nation lies in its people and in the energy and enterprise they bring to building their lives and, by building their lives, helping to build the country. Most Canadians live with a faith in individual responsibility and initiative, and they hope that if they are responsible and innovative in their own lives, they will be encouraged and even rewarded for their effort.

This depressing budget offers neither encouragement nor reward. Its only winner is a government which continues to claim more and more for itself. What is so shocking about this is that its message to the people of Canada is almost: "Why bother?" Why should individuals bother? For a young couple, why bother to scrimp and save for a home of their own? This government does not care if they keep or lose that home. If you are a small-business man or a farmer, why bother to put your life savings, your work and your dreams on the line? This government has no real commitment to you. If you are an entrepreneur who wants to build something for yourself and your country, why bother? This government has no direction to offer and no vision of a country in which you can join and be a part.

All those values which have built this country in the past, and in which many Canadians still believe, are shut out of this budget and in many cases are cut off by this budget.

[*Translation*]

Finally, Mr. Speaker, I would like to address my comments to the backbenchers on the government side. They have a crucial role to play. We on the opposition side can fight the budget and we will do so with all the means at our disposal. However, only the Liberal backbenchers can prevail upon the Minister of Finance to do the only reasonable thing, which is to withdraw this document and substitute for it a budget that is worthy of Canada. I am not speaking glibly in putting this challenge to the members on the opposite side. I am challenging them because, on a matter as important as the constitution, some of these members said they were prepared to defend a principle in which they truly believe. I now say to them that this budget must be changed because of the harm it is doing to Canadians.

I know that many members on the opposite side are aware of the plight of the people we are representing here. They know because they can see what is happening in their own ridings, what Canadians who are trying to hold onto their homes, farms and businesses are going through. They know that Canadians with low incomes and pensions are in great difficulty, and that it will get even worse when they try to cope with rising energy costs and other price increases. They know, because people tell them and because they can see for themselves that Canada urgently needs an economic policy that will help people to get organized and to know where they are going. The government members know perfectly well that none of this is offered in the budget. If they want to join forces with us, with our party and with the party on my left, we can force the minister to change his budget. For Canada's sake, I ask them to join us in this request.

[*English*]

In his remarks on Thursday night the minister as much as confessed that for the last 18 months this government has been preoccupied with the Constitution and with the question of energy. He intimated, in his view at least, that those problems were over for Canada. In so far as the Constitution is concerned, we certainly hope it will be possible to find a way to resolve that question, and we hope the government will consider realistically some of the impacts its policies are having on energy policy in the country. The minister intimated that for him at least that preoccupation was passed, and he raised our hopes that there might now be a willingness on the part of this government to address the question which the great majority of Canadians believes is the principal question before the country, and that is the question of the Canadian economy, how we can get it growing again, how we can stop Canadians from experiencing personal disaster and how we can stop the country from experiencing national disaster.

In presenting his budget last Thursday night the Minister of Finance had a rare opportunity to provide some leadership to the country. As a result of the energy agreement—the details of which are obviously controversial—the Government of Canada will have massive new revenues of about $55 billion over the next five years. Those revenues would be sufficient to reduce the deficit and provide real aid to those Canadians in need and to build in or maintain incentive to the private sector, which has always been the engine of growth in this country and will continue to be the engine of growth, unless this budget drives entrepreneurs away or drives the entrepreneurial spirit away from those who remain in the country.

Instead of that response to the great opportunity for leadership, what we got was an attempt to fool Canadians. We got a budget which was a trick. It was a dishonest document designed to pretend that there was action and designed to pretend there was reform. But it was in fact a budget which will impose an unbearably hard burden upon countless average Canadians and has as its principal purpose the enrichment of the federal government. This budget sells our country short. We need in Canada now incentive to investment so that those Canadians who want to go out and take risks and make the nation grow will have the encouragement of their government to do so rather than being stopped by that government from doing so.

In a country like ours, the future of which lies in a competitive edge in the world, we desperately need much more investment in research and development. We need help for Canadians who want to go out and find job retraining so that they will have skills which suit the new decade that is developing. We need policies to encourage export promotion. We need policies to encourage the productive side of a country which has always been immensely productive when its government encouraged its people to take advantage of the resources that are here. However, what we need most of all is a sense that the government is facing our economic situation honestly and dealing with it seriously. We have none of that in this budget. It is a document that is inaccurate; it is a document that is inadequate; it is a document that is dishonest; it is a document which should be either withdrawn or changed fundamentally.

Some hon. Members: Hear, hear!

• (1630)

Mr. Edward Broadbent (Oshawa): Mr. Speaker, we are here at 4.30 in the afternoon on the second day of the budget debate. We just listened to the Leader of the Official Opposition (Mr. Clark). There are in Canada more than a million unemployed, inflation is running at about 13 per cent, farmers are losing their farms, the stock market is dropping rapidly. And where is the Minister of Finance (Mr. MacEachen)? Where is the cabinet?

Today during question period, I repeat the second day of the budget debate, when members of both opposition parties ought to have had an opportunity to question the Minister of Finance, where was he? Where is he now for this debate? I will tell you. He is five minutes from the House of Commons. He was there at the noon hour. He is having a private briefing with a limited number of reporters instead of being here in the

House of Commons to answer questions on the budget and listen to important speeches on this side of this House. Nothing can illustrate the arrogance and indifference to the people of Canada better than the absence of the minister from this crucial part of the debate this afternoon.

Having said that and having heard the budget last Thursday night, in terms of its content, in one sense at least I can understand why the minister is not here. Except for the 45,000 Canadian taxpayers who earn more than $100,000 a year and who will save $5,000 as a result of this budget, this budget is one without help, without heart and without hope for the people of Canada. To put it simply and accurately, as I shall try to develop in my comments this afternoon, this budget guarantees that Canada will not only have a severe but also a prolonged recession in the coming years.

[*Translation*]

In recent months the unemployed, wage earners, renters, home owners, young and middle-aged, had been hoping that their government would take measures to lighten their burden. But this government is bankrupt of ideas. It operates in a complete vacuum. They blame everybody else except themselves, of course. It is the fault of the Americans, the international situation, the angels and so forth. Everybody is responsible except the Liberals. And yet, other countries have succeeded in setting up original programs which have already paid off. I am thinking of France, for instance. That country does not have the same resources as we do, not by a long shot. And yet, it innovates by adopting grant programs and tax credit legislation for small and medium-sized businesses hiring youth; the state is thus creating jobs for young people. The French model is not necessarily fully compatible with the Canadian situation, but it does show that, through imagination and hard work, it is possible to get out of an economic stalemate.

[*English*]

Consider the problems and then think of the budget in the context of those very real human problems. First, the standard of living. For the past four years, Canadians have seen wages and salaries lag behind price increases. According to this budget, we are going to have a fifth year in a row of the same experience, a record sequence of years since World War II in which the standard of living of Canadians is going to decline.

Consider unemployment. For over three years, more than a million in real numbers, men and women of all ages who have wanted to work, have been unable to find a job. According to this budget, that situation is going not only to continue in 1982, but will get worse in 1983 and still worse in 1984. The most optimistic forecast found in the budget is that by 1985 we might finally begin to see a decline in the unemployment levels.

I want to stress that this budget is cause for despair, not simply for the unemployed men and women. It is also a matter of despair for all those men and women who are currently employed who feel quite insecure because of the economic forecasts that are in the budget. They may have a job today, but they are appropriately apprehensive that they may lose it tomorrow.

In addition to the people who have lost their jobs or those who think they may, there are the parents of young men and women who this year are about to finish high school or a post-secondary education of some kind and will be looking for jobs. Those parents are very insecure about the prospect of their children being able to get a job in the coming year.

The concern, the insecurity, the despair is real in Canada. As leader of the New Democratic Party, it is entirely justified, I regret to say. One need only read the budget with some care to find that. There is not a single job-creation program in the budget for all of those people who are concerned.

The point is that our Minister of Finance thinks, and I use that term loosely, that Canada needs a recession to beat inflation. He is determined to inflict that recession upon us. He is going to sacrifice the production of goods and services that would be helpful in bringing down the level of prices if products were bring produced as well as provide jobs. He is also sacrificing the dignity that comes from work which is possessed by men and women who have a chance to contribute to the wellbeing of other people in society by their labour.

Quite apart from the lack of economic activity and the effects on human dignity with the perpetuation of this planned unemployment, which is what it is, I want to emphasize in my speech, and suggest some solution to it, that this approach is wrong economically. One might, under very peculiar and regrettable circumstances, allow for the kind of situation I have just described if it were necessary and if it were going to produce beneficial results down the road. I want to argue today that it is a profoundly wrong economic approach.

I would have hoped that after two years of this policy of high inflation rates related directly to high interest rates it would have been sufficient for the Minister of Finance in preparing this budget to come to his senses and change direction. I would have hoped he could have seen what Margaret Thatcher, by pursuing the same policies in England for three years, has inflicted upon the people of Great Britain. I would have hoped that he could see day after day what these policies under President Reagan are doing in the United States, and even that radical journal the *Wall Street Journal* has called into question recently the financial appropriateness of this approach to the economy.

• (1640)

Imbedded in the heart of the budget is this economic approach that is dependent on high interest rates that leaves unstated, but is there nonetheless, that if American interest rates increase, as a number of the long range forecasters are predicting, as surely as night follows day the Government of Canada, the Liberal government, will allow interest rates in Canada to continue to increase.

Whatever happened in the United Kingdom, United States and, importantly, whatever has happened in Canada as a result of this high interest rate policy has had no bearing on the arid,

academic, intellectual approach that is an arid, intellectual approach devoid of thought. It is an approach devoid of actually looking at the experience of what has happened in other countries.

Consider the impact of high interest rates on farmers. I talked to some farmers a short time ago in Saskatchewan. They told me directly how this interest rate policy affects them. Again, I should like to stress that I am not talking about the human impact. That is a fundamental concern because the Liberals like to boast that they are the pragmatic realists, that they are the competent managers of the economy.

I should like to deal with that issue in their terms. I asked the farmers, "Tell me directly what is happening with high interest rates in terms of its impact on you, as an economic unit, if you like." I received the following elementary points that should be of concern to the government. First, they said: "If we have to buy our machinery, whether it is made in Canada or imported from abroad, the high interest rate situation, the carrying charge that we have to pay, is just as bad". Their costs of production rise. Or they said to me: "If we have to carry inventories over the winter", which they do, "we have to pay 20 per cent plus." That also increases their production costs.

More often than not, the farmers of Canada are unable, for a variety of reasons, to pass their cost increases on to the consumers. They have to absorb them directly themselves and, therefore, the farmers' families suffer. But where a farmer can pass the increase on, and no one will blame him for it, the result is higher food prices for Canadian consumers. That is the result of high interest rates for the farming sector.

What has the government done? It has not changed the interest rate policy, and I will return to this point in a minute. It has pretended it is providing a solution for the farmers in difficulty. What is it, Mr. Speaker? In the budget the government will lend an additional $50 million at moderate interest to farmers who are on the brink of bankruptcy; but the Farm Credit Corporation's total lending budget will now represent nearly 2.6 per cent of the debts that Canada's farmers now owe. There will be no way for new farmers to expand or purchase needed equipment. There simply will not be enough money to keep more farmers from bankruptcy. That is the reality of the kind of assistance that the Liberal Party is prepared to provide for our farmers in difficulty.

Again from the point of view of economics alone, consider the small businesses. Before Parliament resumed, I was in Newfoundland where I visited Corner Brook and St. John's and, more particularly, the small community of Baie Verte. I should like to suggest this afternoon that Baie Verte is a microcosm of everything that is happening to the Canadian economy. In that community there are two mines that will close down. This is directly related to the interest rate factor.

The week before I visited Baie Verte I heard that one of the mines was to close because the markets in western Europe experienced a temporary turndown. Under normal circumstances, a mine or any other business can carry its inventory over a period of time until business picks up. It is particularly interesting for this mine because it had increased its productivity by some 50 per cent in the past three years. It had invested new capital in the mine so that it would become more efficient. The ore body was good. However, the markets were down and it was paying, if I recall correctly—I know this is the framework of the loan, anyway—some 25 per cent to the banks. Its line of credit ran out. The banks shut the mine down. Several hundred employees were laid off as a result of high interest rates. These people were laid off from an efficient mine that could have continued to employ people and that could have realized a profit for the owners if a situation existed where there were normal interest rates and had the owners been able to survive another few months.

Approximately two miles up the road was another mine. The day I arrived I heard that it was to shut down. I think it is due to be shut down by Christmas. This mine illustrates a different point. It was not losing money temporarily; in fact, it made a profit of $23 million. I said, "Why would they be closing down if they are making a profit?" I talked with the trade unionists, the mayor of the town, community representatives and the business people responsible for the mine. What did they tell me? They said, "Well, yes, we made $23 million profit, but if we take the $23 million and put it in the bank, we can get a 20 per cent return on that on a long-range investment without taking any risks at all in the marketplace, which we might have to do if we carried on with our mining business."

The situation of that one community is a good illustration of the lay-offs in Ontario, Quebec, British Columbia and elsewhere in Canada. On the one hand you have small businessmen who cannot carry inventory and will be forced into bankruptcy as a result of high interest rates, and on the other hand you have businessmen with capital to invest, but because they are not crazy they think it is more sensible to invest their money in the banks than to create jobs for Canadians. It is time to put an end to this absurd high interest rate policy, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Broadbent: Then we come to the issue of home owners and renters, and that is perhaps the single most important category of people that certainly have been discussed in recent weeks. This group includes every Canadian, it seems to me, as the Liberals know. One is either a home owner or a renter. The government should be able to come to grips with that problem.

What has the budget done for these people? According to a document that we obtained some weeks ago, more than 100,000 Canadians are in serious difficulty in the coming year because they might lose their homes. That figure has moderated somewhat because interest rates and mortgage rates, which the government has allowed to follow market patterns, have decreased a little. However, the reality is that there are thousands, and if not 100,000, something close to it, facing serious difficulty. Why are they in serious difficulty? It is because they have to increase mortgages that are up for renewal.

This past weekend I was in Calgary and Saskatoon. In both those places the average increase in a mortgage renewal comes to $250 to $350 a month. To put it another way, $300 a month is $3,600 a year, and that represents a decline in one's living standard by that amount.

Mr. Cosgrove and the Liberal government say: "Oh well, there have not been many people who have experienced foreclosure". Of course not, Mr. Speaker, because the people of Canada, men and women who have put their life savings into their home, will not go through foreclosure. What they will do is take on an additional job and start to work 50 or 60 hours a week. Or if one partner in a marriage is not working, he or she will go to work. In some cases they have cut back on the kids' clothing budget or cancel vacations. Or as my colleague says, in most cases right now they cannot get another job because another job is not available. What does the budget do for them? The Right Hon. Leader of the Opposition and we were correct. It will provide assistance for some 2 per cent of the people faced with the terrible situation of losing their homes.

• (1650)

I should like to elaborate on how the government will provide this assistance. Are they doing it through our financial institutions? No, they will do it through loan guarantees provided by taxpayers, but they will only do it after, for example, a family with a mortgage of $50,000 who cannot keep its home defers the mortgage payments and goes more deeply into debt with the bank. Under this scheme, if one has a $50,000 mortgage and accepts the budget's recommendation, after paying for an entire year one will owe more on his house than he owed on the date of his initial payment. The government in its generosity to 2 per cent of the people threatened with losing their homes has forced home owners to become tenants in their own homes or permanent debtors, but has offered a guaranteed profit program for the banks.

Our solution differs from that of the government and the Conservative Party and is very clear in its difference. One group which has done very well with inflation is the banks of Canada. In the first nine months of this year the five major banks have had a profit increase of $1.5 billion. We must remember that 97 per cent of the mortgages in Canada are held by the banks, the trust companies and the insurance industry. As a democratic socialistic party approaching the banking system, in the housing crisis in particular but not restricted to the housing crisis, we say that in a mixed economy the banks can make profits in certain of their activities. It would be ludicrous from an economic point of view to offer a counterargument. Some of our cabinet colleagues across the way can afford a $175 per plate dinner in Toronto to raise money for the Liberal Party. If they or any Canadian wants to borrow money to go on holidays in Florida or elsewhere, to purchase mink coats or to put in swimming pools, let the banks charge them what they want. But when there is a housing crisis in Canada and according to the minister some 100,000 Canadians from coast to coast are threatened, since the banks had a $1.5 billion profit in the first nine months of this year, surely it is time to think about what the Bank Act provided before the Liberals changed it in 1969.

Before 1969 the Bank Act fixed mortgage moneys at 9 per cent. The banks put up mortgage moneys; the ceiling was 9 per cent. Then it was changed. At that time one party in the House opposed the change—the NDP. The then minister of housing, Mr. Paul Hellyer, spoke in the House. I remember very vividly what he said. He said that they wanted to take out of the Bank Act the principle which set the then ceiling of 9 per cent. Also he said that they wanted to introduce what was then called for the first time the roll-over principle for mortgages. There used to be long 20 or 25 year mortgages. Mr. Hellyer for the Liberals said that they wanted to get rid of it and that it was being done for home owners. He said that was in their real interest.

Then he did two things. He took off the 9 per cent mortgage ceiling and allowed the banks and other financial institutions to put out mortgages which were renewable every five years. To those of us on this side who said that that would only guarantee the profits of banks, Mr. Hellyer said that we were wrong and, "There you are, you predictors of gloom and doom." He said that if the government introduced the roll-over principle there would be a great influx of mortgage money, that mortgages would come down and that home owners would benefit.

I should like to indicate what has happened with the roll-over principle. Ever since it was introduced the banks of Canada have been rolling over home owners in the country; that has been the result.

Some hon. Members: Hear, hear!

Mr. Broadbent: We would say to all Canadian families who have to renew their mortgages at 18.5 per cent and upwards that they ought to be able to renew them during the next six months at the rates they are presently paying. The financial institutions can afford to absorb that. This is my first point. Second, we want to reintroduce the principle of social responsibility into the banking system. A New Democratic Party government would do the following within 24 hours. We would change the Bank Act and make it obligatory for banks to put up mortgage moneys at a level which average Canadian families can afford.

In terms of renters, if anything, the situation for renters in Vancouver, Toronto, Montreal, Halifax or any urban centre will be worse than the situation for home owners next year. What has this imaginative Liberal government done? Has it indicated that there are more than one million unemployed in the lumber and construction industry, in the furniture, refrigerator and stove manufacturing industry, and that we should be doing something to stimulate employment? If the government had even thought that way, the conclusion would be obvious.

The government has announced that it will provide 15,000 additional units—its big increase—over the next two years. This will not even meet the needs of Vancouver, let alone all of Canada. The NDP say that with the present unemployment

rate and with the housing crisis faced by human beings who need accommodation, there should be a massive increase in the Canadian housing budget to provide homes and rental accommodations for those who need them. Of course, this would provide jobs for the Canadians who would be building them.

Some hon. Members: Hear, hear!

Mr. Broadbent: Now I should like to deal with the interest rate argument in more detail than it has been dealt with in the past. When I was speaking at my party's convention in Saskatchewan, I was pleased to hear the Premier of that province say publicly that he was in agreement with what we had said about exchange controls. We think they are necessary now. I want to make the argument for them.

Mr. Blenkarn: I want to hear this.

Mr. Broadbent: I hear a member of the Conservative Party saying that he wants to hear the argument. I make the argument for the benefit of people on both sides of the House, and I should like to hear their replies. The Minister of Finance and the Governor of the Bank of Canada, as well as the hon. member for St. John's West (Mr. Crosbie) as recently as last June in opposition, have indicated that we must keep raising our interest rate when the American rate is up or we will be in difficulty. We say that there is an answer. We can lower interest rates, but if we stop there those profound economic wizards in the Liberal and Conservative parties are correct that there would probably be an outflow of capital. We think we can go one step further. We do not just restrict ourselves to what social democrats have done around the world; we turn to the United States itself.

In the 1960s President Kennedy had an outflow of capital problem. What did he do? He established a system of controls on the export of capital to protect the American dollar for some time. Then in the 1970s when the well-known radical President Nixon was in charge of the United States, he had a problem as well. I do not think his office had been taken over by Trotskyites. He saw that there was a way to deal with an export of capital problem, so for a brief period of time he put export controls on capital.

• (1700)

We say that when farmers in Canada are going broke, when businessmen are going broke, when Canadians are losing their homes, if it was good enough for the Americans in the 1960s and 1970s to have controls on the export of capital, then it is good enough for Canada in the 1980s and it should be done.

The Acting Speaker (Mr. Ethier): Order, please. I was going to intervene and advise the hon. member that his time had expired. Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

[*Translation*]

Mr. Broadbent: Mr. Speaker, I wish to thank the hon. members for their indulgence.

[*English*]

I shall try to conclude quickly, Mr. Speaker.

There is one other point in the budget that I want to deal with before I turn the floor over to a Liberal member who, I hope, will reply to some of the arguments that have been made. This concerns the question of equity.

In his speech to the House and to the people of Canada on Thursday, the Minister of Finance made much of his party's alleged concern with fairness and with equity. I was touched by that. I heard in advance that they were really going to sock it to the rich. Then again, I thought that perhaps the Trotskyites had taken over the Liberal Party.

I listened with a great deal of interest to what was said in the budget about income distribution and tax benefits. Instead of that, we found that what the Liberal Party was doing with its left hand, it was busy undoing with its right hand, which is always much stronger. It closed some loopholes but left many more in place.

When you look at the tables and the charts that accompanied the budget documents you discover the following facts, Mr. Speaker. First of all, the vast majority of Canadians get no tax cuts at all. I repeat, the vast majority get no tax cuts at all. Second, a small number at the bottom of the tax scale get something like $4 per week. We are pleased that they get something but $4 per week is hardly the symbol of a government generous toward its people if you are living in poverty.

At the other end of the economic scale we find that there are 45,000 taxpayers in Canada earning $100,000 or more per year who, with this Liberal budget, will save $5,000 per year in taxes. We say that this is not tax reform, this is typical Liberal chicanery. The government tries to pretend that it is providing justice for all, but instead it is providing additional benefits for upper-income Canadians who need it least.

I will conclude with this observation, Mr. Speaker. What we need now and what we have needed for years is serious tax reform. As long as pensioners in Canada are paying taxes, as long as the working poor in Canada are paying taxes, surely to God it is time that the rich, the banks and the oil companies were paying their fair share.

Some hon. Members: Hear, hear!

Mr. Broadbent: I was going to have something to say about how the government has abandoned its total commitment to the further Canadianization of our economy and how it has sold out the west and the western development fund, but my time is running out. I shall conclude with the following words, Mr. Speaker. More than ever before Canadians must know that there is one party in this land that remains in their corner, that there is one party that does offer heart and help and hope. I want to say to the Liberals and the Tories that they can take

their stand with the banks and we will take our stand with the ordinary people of this country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, it is a great honour for me to have an opportunity to take part in the debate on the budget which was tabled last Thursday by the Minister of Finance (Mr. MacEachen). I believe, Mr. Speaker, that the three major themes of this budget cannot be overemphasized: restraint, equity and economic renewal. Indeed, the cornerstone of our government's budgetary policy is that it is vital that we should put an end to inflation if we want to reduce interest rates and tackle our other economic problems. Mr. Speaker, I plan to use the few minutes at my disposal to deal first of all with the immediate effects of the budget on Quebec taxpayers, especially those of the constituency of Laprairie of the cities of Saint-Lambert, Lemoyne, Greenfield Park, Brossard, Laprairie and Candiac, then, to comment on the various options which faced the Minister of Finance, and finally, to discuss the many contradictions in the attitude of the opposition members who addressed this budget, and God knows that we heard quite a few of them this afternoon, Mr. Speaker, voiced by both the Leader of the Official Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent).

It is important first of all to emphasize that by doing away with a great number of tax rebates, the government will be able to reduce the taxes that are paid by nearly 6 million taxpayers while increasing its revenue sufficiently to reduce the public deficit. For the Quebec taxpayers, in Canada, Mr. Speaker, these savings may be and are achieved in the following manner. First, the income tax rates for individuals whose income exceeds $11,000 will be reduced and the tax burden of individuals with lower incomes will be lightened. Those in the higher-income brackets will be encouraged to save and invest by the setting of a limit of 34 per cent for federal tax rates. The maximum tax rate will therefore be about 50 per cent, Mr. Speaker, depending on the provincial tax rate, rather than about 64 per cent as is now the case. The current tax reduction of 9 per cent will be replaced by a $200 credit granted to all taxpayers. Married taxpayers will be able to claim an additional $200 for a dependent spouse. This means that 620,000 lower income taxpayers will see their tax credit doubled or increased by $400. The indexing system provided by the act will remain the same, which will represent additional rebates of over $3 billion in federal and provincial taxes in 1982. The child tax credit will go from $261 to $293.

Generally speaking, personal income tax provisions for 1982, including the restrictions for preferential rates and indexation, will mean average individual rebates of $310 for nearly 12 million taxpayers, while approximately 795,000 taxpayers, most of whom have higher incomes, will pay more federal taxes. A family of four will now be able to earn up to $15,000 without having to pay any federal income tax. In addition, in view of the lowering of unemployment insurance contributions, the net income of the wage-earning population will increase by $200 million. These tax incentives granted to all taxpayers are obvious and very important, but they mean even more, Mr. Speaker, for the Quebec taxpayer who is unfortunately governed in Quebec by a government known for its rather unhealthy administration.

Nonetheless, Mr. Lévesque and the Parti Québécois won the last election on the slogan of sound administration. Under a provincial Liberal government from 1970 to 1976, the average deficit of the government of Quebec was $451 million. Under the PQ it rose to more than $2 billion between 1976 and 1981. Between 1977 and 1981, the deficit increased 37.4 per cent under the Lévesque government. The total indebtedness of the Quebec public sector went from $8,000 per family to nearly $15,000 in 1980. In 1980-81, provincial spending per capita were $2,700 in Quebec and $1,900 in Ontario. In the area of education alone, Mr. Parizeau recognized that in his 1979-80 budget Quebec was spending $500 more than Ontario per student.

In 1979, Mr. Parizeau discovered a $500 million shortfall in the department of education budget. He never succeeded in explaining that shortfall, and in the Quebec civil service, the remuneration per employee was $19,000 compared to $16,000 in Ontario. Clearly the Quebec taxpayer needs a sound fiscal administration, but he does not get it in Quebec. Quebecers are among the most heavily taxed citizens in America. The Canadian taxpayer with a $10,000 income pays $700 more income tax in Quebec than in Ontario. If he earns $20,000, the difference jumps to $2,000. Personal income tax in Quebec increased from $8.28 per $100 of personal income to nearly $9.50. The PQ government has just converted medicare, the automobile insurance board and Hydro-Quebec into tax collecting agencies. Not to mention the liquor board and all the other types of disguised taxes the government imposed on us Quebecers.

So, Mr. Speaker, I urge the PQ government to enter the federal arena. I invite them to come up with candidates against us. Of course, I wonder how they are going to call that group, whether it will be the Canadian Quebec Party or the Federalist Parti Québécois, but I would urge them to do so because they should be made accountable.

In preparing this budget, our Minister of Finance was faced with the traditional economic dilemma facing every western democracy, namely to balance the demands of society for economic security with its need for economic growth and development. Of course, the answer is in our budget, that is equitable restraint. Over the last few weeks, Mr. Speaker, a number of groups from the municipal, provincial and federal

levels, a number of business groups, consumer groups, trade unions, home owners, renters and others suggested various fiscal measures to the minister for inclusion in his budget.

Unfortunately the common denominator of all those groups was indeed to reduce inflation, too often at the expense of all the other groups but not theirs. That is why the government must counter those inflationary demands with restrictive tax measures so as to maintain our anti-inflationary monetarist policy which, for awhile, was our only weapon to come to grips with the ever-escalating rate of inflation. Obviously the recent agreement between Alberta and the central government, and between nine out of ten provinces and the government of Canada with respect to both energy and the constitution will greatly improve the economic climate in Canada. Undoubtedly the fiscal measures introduced by the Minister of Finance in his budget last Thursday will bolster the dollar and lead to a definite lowering of interest rates.

• (1710)

[*English*]

An excellent example of inconsistent demand came from the ten provincial ministers when they were consulted about this budget last October. The provinces wanted the federal deficit reduced, of course, but none wanted the cuts to affect them. They all recognized that the most important fiscal measure we could take would be to reduce our deficit and our pressures on capital markets in order to fight inflation. But then most of them said that the federal government should not cut any revenue guarantees or transfer payments, should not raise or de-index any federal taxes, and should spend at least $800 million on a new federal subsidy program to protect all farmers, home owners and small-business men from the effects of high interest rates.

If they had the responsibility for balancing these conflicting demands for Canada's general economic progress on the one hand, and their own economic and political security on the other, perhaps they would recognize the desirability of phasing out the 1972 revenue guarantees in order to allow the federal government to reduce the deficit without affecting contributions to health care and post-secondary education. Perhaps they would recognize the need to end tax loopholes for the rich while reserving large cash expenditures on interest rate relief for those who need it most. In other words, they might be forced to make decisions about what is fair and equitable for Canada as a whole, instead of each demanding what is collectively impossible. That is what the Minister of Finance meant when he said that people must change their attitudes if inflation is to be beaten.

[*Translation*]

On the other hand, Mr. Speaker, the Canadian Federation of Independent Business recently made public its pre-budget review where it stated, and I quote:

—designed to dispel mistrust and uncertainties and to show the new way to follow.

Among other things, Mr. Speaker, the CFIB recommended that the $150,000 ceiling on the deduction granted to small- and medium-sized businesses be raised to $200,000, and that the necessary amount of profits made by a business during all its operational life be increased from $750,000 to $1 million. This was approved. The CFIB asked for new unemployment insurance rules, so the budget provides for lower premiums for both employee and employer. The CFIB requested as well an extension of the Small Business Development Bond program for the expansion of small and medium-sized businesses and a wider field of application so that individual business owners might benefit from it as well. That proposition has been almost totally accepted.

The CFIB also urged the government to reduce federal expenditures and the share of government revenues now earmarked for servicing the debt. If I may, Mr. Speaker, I should like to point out that not only does the government intend to bring the deficit from $11.2 billion down to $9.8 billion in 1981-82 but it is also going to lower our cash requirements to $6.6 billion in 1982-83. We forecast a very sharp decline in our interest rates whose increase must drop from 38 per cent to less than 5 per cent if we are to pay our debt. It is important to recall that in our context of restraint and equity, the major requests of the CFIB have been met, even exceeded, and of course I am referring to the federal sales tax.

[*English*]

So, Mr. Speaker, do not misunderstand me. I am not criticizing Canada's economic interest groups for trying to protect themselves. Their leaders are elected or appointed to present a particular point of view. Their input into the decision-making process is invaluable; but all too often they make demands that are inconsistent from a social perspective, as if the pursuit of their own interests somehow automatically results in what is best for Canada as a whole.

The worst offenders are clearly the two opposition parties, for they are not supposed to be representative of particular interests. As national parties in a national parliament, they have a responsibility to reconcile conflicting interests and to balance conflicting demands for economic security and economic progress. That they have failed to accept that responsibility is plainly evident from the debate thus far. They are merely echoing the chorus of complaints.

Home owners and renters can be assisted in the long term by policies of fiscal and monetary restraint which will reduce inflation and interest rates.

An hon. Member: You don't see it happening.

Mr. Deniger: What distinguishes our program of restraint from the drastic Conservative approach—

Mr. Blenkarn: If people are restrained, government should stand fast.

Mr. Deniger: —being undertaken in Britain and the United States is our additional emphasis on equity. The $350 million this government is allocating to help home owners and to stimulate construction of rental housing is going to those

households with the greatest need, while tax exemptions for capital gains on a taxpayer's residence will be limited to one residence per family so that the cottages and summer homes of the affluent will no longer be subsidized.

● (1720)

Some hon. Members: Oh, oh!

Mr. McDermid: Talk about restraint.

Mr. Deniger: Now comes the time to respond to both the NDP leader and the Tories. Let me start with the NDP leader. The Leader of the New Democratic Party (Mr. Broadbent) clearly exaggerates when he accuses us of Canadianizing "Reaganomics". I believe the hon. member for Broadview-Greenwood (Mr. Rae) was sincere when he said that the greatest problem facing the Canadian people today was economic insecurity. But is that the whole story, and is the only way to deal with it to spend billions more dollars on government guarantees of economic security than we already do? Is that why his leader called a $350 million housing program a "puny response"?

However genuine the New Democratic Party's concern for equity and security is, it is inconsistent with, and undermined by, its $1.5 billion housing program and its artificial reduction of interest rates, which would increase the deficit, devalue the dollar, fuel inflation and discourage capital from investing in this country and providing the jobs are so desperately needed.

This afternoon the Leader of the NDP told us about his great cure for high interest rates. In order to subsidize low interest rates, the NDP has proposed exchange controls to prevent large movements of more than $5 million out of the country. This would damage Canada's international image and jeopardize its economic relations by inviting retaliation. Foreign investors would stay away in droves. It is an example of how controls lead to more controls. Controls are their answer for everything except union wages. The NDP leader has even admitted that his party might consider exchange controls on average Canadians trying to transfer as little as $5,000 out of the country. Even Canadian vacationers would have their freedom of choice curtailed. That does not strike me as being the best way to provide equity and fairness.

[*Translation*]

The Progressive Conservatives also contradict themselves. Last October 4, Mr. Speaker, their financial critic said, and I quote:

[*English*]

This coming budget must pick first and foremost as its primary target and almost everything in that budget must be aimed at fighting inflation.

[*Translation*]

Yet, last Thursday night, the same member suggested that the $50 million set aside for the Farm Credit Corporation was not enough and what was needed was $500 million. Mr. Speaker, if we had those $500 million, we would surely give them out, but as we all know that is over and above the entire DREE budget and is an inflationary amount. The energy tax credit suggested by the hon. member is also an inflationary measure. You will also recall that the mortgage deductibility scheme supported by his party was not only inflationary, it was unfair and restrictive. When the hon. member for Etobicoke Centre (Mr. Wilson) speaks of a program that would apply to 220,000 housing units instead of 40,000, that is also inflationary.

The Leader of the Opposition was speaking earlier of other funding needs. He said that we should not have abolished some tax shelters because not only rich Canadians took advantage of them. Naturally, that is costly but still he wanted further tax credit measures, further exemptions and all sorts of tax shelters, even though the latter would have in fact prevented the government from collecting enough money to reduce its deficit and prevented over 6 million Canadian taxpayers from paying lower taxes.

I was keenly interested in the remarks made by some hon. members opposite a while ago when they said that we were the party of the banking interests and that we are in bed with them. And I find it still more surprising when I realize, just as all other hon. members of the House certainly do, that the deputy minister of finance who wrote the budget which caused the downfall of the previous Progressive Conservative administration is now a senior vice president of the Bank of Montreal. I certainly do not understand how hon. members of the Progressive Conservative Party would say all of a sudden that banks are Canada's worst enemies. It is a quite recent discovery. It is a sealed case.

We need only go over the questions which the members of the official opposition have been asking over the past few months to realize that they have no true economic policy and are trying every moment to please everybody. I should have thought, Mr. Speaker, that the experience in power of my hon. Progressive Conservative friends, however brief it was, would have made them understand. I should have thought, Mr. Speaker, that the Crosbie budget would have made them wiser. But no, Mr. Speaker; we need but recall the many economic debates held in this House to realize that their economic policy is as follows: Cut out everything except in my riding, which is utter nonsense, Mr. Speaker.

The problem facing the official opposition is also, to some extent, that which faces our society. Can economic growth and economic security go hand in hand? Professor Thurow of the Massachusetts Institute of Technology has written, and I quote:

[*English*]

Today, as never before, all policy solutions involve some degree of redistribution of income and wealth. And until we face up to this painful reality and learn as a society to agree on who should bear what costs, economic growth will continue to elude us.

That is the key to economic renewal, Mr. Speaker, as the Minister of Finance so eloquently explained. Everyone, from the forester in British Columbia to the Conservative politician in Newfoundland, seems to be in favour of competitive eco-

nomics for others and protection for themselves. But this is Parliament and this is where the decisions must be taken. The buck stops here. It is no longer acceptable to make demands which are inconsistent. The challenge of government is to provide a balanced program of equity and restraint to ensure that we have both security and growth. And I once again congratulate the minister for meeting that challenge.

[*Translation*]

In conclusion, Mr. Speaker, there is no doubt that under the present economic circumstances in this country as in the whole world, a budget is the most difficult working paper which a government is called upon to bring down. Due to the pressures brought to bear on a government, a budget introduced under the theme of restraint, equity and economic renewal is to the advantage of all Canadians.

[*English*]

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I am pleased to be speaking today because the budget presented by the Minister of Finance (Mr. MacEachen) represents an expression of confidence in the ultimate strength of the Canadian economy. This budget sets its sights on the future and is laying the groundwork for the massive capital investment we will need in this decade and throughout the next to realize our development potential. The goals of this budget are not short term. The hon. Minister of Finance did not sacrifice long-term economic stability in Canada on the altar of short term political gain.

There can be no mistake. The major thrust of this budget is to meet the challenge of inflation, inflation which unfairly prejudices those on fixed incomes, inflation which erodes savings, inflation which exacerbates wage demands, inflation which decreases our productivity and international competitiveness, inflation which keeps interest rates high and which itself is fuelled by higher interest rates, each feeding voraciously on the other.

• (1730)

The single objective of this budget is to curb inflation and thus bring down interest rates. It does this by taking a large amount out of the budgetary deficit and thus out of the federal government's borrowing requirements. Last year the deficit was $1.5 billion less than had been predicted which, considering the high interest rates that we were required to pay, was welcome news to all Canadians. This year the deficit will be $0.4 billion less than predicted last year. It will decrease steadily in absolute dollar terms in the ensuing years. This means that as a percentage of our gross national product, the deficit will decline from a high of 4.4 per cent last year to 4.0 per cent this year and 2.8 per cent next year.

The leader of the New Democratic Party elaborately indicated to the House our major concerns about interest rates. The majority of his speech concerned the problems created by high interest rates. I had the impression that he was resigned to having high interest rates prevail in this country because he believed that we should artificially force interest rates down and as enormous amounts of money flow out of the country we should stem the tide by imposing exchange controls and stopping it at our border. This approach has been tried in the past. He mentioned that it had been successful in the United States. In fact it did not work in the United States. First they tried the interest equalization tax, then in 1965 they tried the voluntary guidelines approach, and in 1968 they tried the mandatory guidelines approach. They finally had to abandon these measures in 1972. It has been tried in England and has not worked. It was tried in France—

An hon. Member: They are going to do it again.

Mr. Peterson: —and it has not worked. Let us not think there is a magical solution which can bring down interest rates overnight, set up barriers and create a watertight capital market in order to protect us. What the government is doing in this budget is attempting to bring interest rates down by bringing down inflation.

The reduction of the government deficit will have an even more important impact on our financial requirements. The actual amount of money we will have to borrow will decline more rapidly from $10 billion last year to $9.7 billion this year. Next year the reduction will plummet to $6.6 billion. This represents a real reduction from 3.5 per cent to 1.7 per cent of our gross national product. I believe this is a responsible approach to take to deal with the deficit.

[*Translation*]

Mr. Speaker, substantial results are made possible thanks to two procedures. The first is a more adequate control of government expenditures. As it was pointed out by a few members, our economy is at a standstill. Consequently, it would be neither wise nor advisable to try to reduce the deficit by chopping drastically at government expenditures. It is essential that the rate of increase of most of our expenditures remain lower than the rate of growth of our economy.

That is why our expenditures will show a slight drop—in line with our economy—from last year's 20 per cent to 19 per cent in 1985-86. One reason why the public debt could not be reduced more substantially this year was the high interest rate which caused an increase in the public debt of $2.3 billion projected for last October. We must fight high interest rates, and we are using this budget and our monetary policy to do so.

The second means of reducing the deficit will be to increase revenue. Before the effects of the energy agreement are felt in two years' time, tax increases provided in the budget will generate additional revenues of $1.4 billion in 1982-83 and $2.1 billion in 1983-84, dropping to $1.2 billion in 1985-86.

[*English*]

These additional tax revenues are being derived in an important way. Reduced tax rates will apply to individuals with an income in excess of $11,120. Reduced rates plus a continuation of indexing will mean, for example, that a family of four with an income of $15,000 or less will pay no income tax. At the

higher end of the scale, the top marginal federal tax rate has been reduced from 43 per cent to 34 per cent. This means that the combined federal and provincial tax rates will fall from the present high of 64 per cent down to 50 per cent, and there will be a reduction of taxes on capital gains from 32 per cent to 25 per cent.

The budget undertakes the first major overhaul of our tax system since 1972 to make up for this lost revenue. This is accomplished by eliminating a number of tax expenditure plans, or loopholes, which generally benefit individuals in higher income brackets. The declared thrust of this overhaul is to create equity or fairness among taxpayers. The result of this is that some taxpayers in a higher bracket who benefited from these expenditure plans will face a net increase in their taxes.

I cannot help but recall some of the remarks made by the Right Hon. Leader of the Opposition (Mr. Clark). I would not have mentioned this had he not returned to this subject twice. He seemed to be quite concerned about the fact—and exercised about it—that the government was ensuring that individuals who used company cars for personal benefit would not get a tax break. He said that we were not penalizing fairly people such a travelling sales persons or real estate sales persons. What we are doing in this area is simply ensuring that that portion of their automobile which is spent for business purposes is not taxable, but if they use their car for pleasure, for example, to go to Florida by car for a vacation, that portion of it will be treated as a taxable benefit. Every other taxpayer has to pay for it. That is all we are doing. As the hon. member says, we are ensuring proper collection procedures in this provision. The Right Hon. Leader of the Opposition made quite an issue out of that. He said that if I was wrong he would expect me to vote for his amendment on this budget. But he did not have the courage to accept my counter offer that if he was wrong he would vote for our motion on the budget.

An hon. Member: That is great. Tell us about taxing Blue Cross and dental plans.

Mr. Peterson: In the midst of these changes the budget has taken into account the devastating impact high interest rates can have on home owners who are facing the prospect of renewing their mortgages. A temporary system has been created combining guarantees and grants to ensure that home owners who might not otherwise be able to meet increased monthly charges will not be forced to sell their homes. Other measures have been designed to help small businesses and farmers to cope with the present high interest rates which we all agree are too high. For example, I believe our proposals regarding small businesses will bring them benefits amounting to an average of $27.5 million for each of the next two years.

Returning to the subject of interest rates, we must recognize that the help given to home owners, small business and farmers in order to allow them to cope with these high interest rates is only a stop-gap remedy. There can never be a real substitute for reducing inflation and thus reducing interest rates to a reasonable level. We must ensure that the high rates do not again skyrocket.

• (1740)

I think it is important for us to recognize some important facts. Since August there have been ten successive decreases in the bank rate. It has come down from a high of 21.24 per cent to 16.13 per cent last Thursday, a decline of 5.11 percentage points. The prime lending rate has come down from a high of 22.75 per cent to 18 per cent, a drop of 4.75 percentage points. Likewise, the rate on five year mortgages has also declined 4.75 percentage points. I have not heard any approbation from hon. members opposite in this House as these rates have steadily come down. However, as those rates were going up, they criticized us. One would at least have thought that they would have been tempered and even in their distribution of praise and criticism. We recognize that the rates are still too high, which again dramatizes the need for measures which will bring down our rates.

Mr. McDermid: Are you taking credit for their falling?

Mr. Peterson: I hope the hon. member will listen because, if he does, he might understand the full thrust of this budget.

As the Minister of Finance has said—and I echo his words here today—the foremost thrust of this budget is to control inflation and to keep bringing interest rates down. Let us look at the solutions offered by the Tories, who seem to be quite vocal this afternoon—through a rump group listening to the hon. member for Etobicoke Centre (Mr. Wilson), the Tory finance critic, one would think that he was in favour of our approach of reducing the deficit and bringing down interest rates, because he said this: "A manor drop in inflation and a major drop in interest rates is what this country needs most."

That was last Thursday. Thus far one would think that the hon. member is a fairly bright fellow. But wait; what he did after that was a complete U-turn. He criticized us by saying, "What we have is a restrictive budget when the reverse was called for." What he seemed to be saying in that last sentence was that he wants the government to enter into new expenditure programs, more government spending and a higher government deficit as a cure for inflation and high interest rates. However, I am not sure. That is what he seemed to be saying, but I am not sure because in another sentence he said that we should have been reducing the deficit even more. The only reasonable explanation for the U-turns and the contradictory statements by the hon. member for Etobicoke Centre is that he wrote his response to the budget last September just after he was appointed finance critic. You should have seen the look on his face, Mr. Speaker, when he actually saw our budget documents and realized that our Minister of Finance meant real business in terms of dealing with inflation and high interest rates.

So much for the Tories. In terms of positive alternatives they are as bankrupt as they would make this country if we followed their proposals.

Mr. McDermid: Why don't you go back to Ontario and run your little brother's campaign?

Mr. Peterson: I am delighted about a particular provision in the budget to which I want to devote special attention. This particular provision is the one which deals with charities.

Miss MacDonald: Where is David?

Mr. Peterson: I am glad hon. members support my brother for the leadership of the Liberal Party in Ontario. I know he will do a better job than they.

Mr. Beatty: He is more a Tory than a Grit anyway.

Mr. Peterson: I would like to address some remarks to the House concerning the tax provisions and changes dealing with charities. As hon. members are aware, the present system allows individuals or corporations to deduct up to 20 per cent of their income a year if they donate it to a charity. Any excess over the 20 per cent can be carried forward one year. The government has realized that this has not been adequate financial incentive to help the many individuals in this country who want to help the government assume part of the role of funding worth-while enterprises, so the budget has taken a very forward and far-reaching step and allowed donations in a year in excess of 20 per cent of income to be carried forward for five years. In addition, on death, donations exceeding the 20 per cent can be carried back for one tax year.

These measures are a constructive means to ensure that more of the burden of funding these worth-while and necessary institutions in our society is carried by the private sector. They are a direct encouragement to individuals and corporations to fulfil their responsibility to their fellow human beings in a way that no government institution could ever hope to emulate. I applaud the progressive steps of the Minister of Finance in this area.

In terms of social and economic development, many members of the opposition have said that we have not dealt with the question of development and that we do not have full provisions in the budget. However, if they read the documents tabled along with it, they would realize the commitment of this government to a full program of economic development. Let me give some examples. With respect to science and technology, research and development are at the heart of any industrial renewal. In terms of research and development the government has committed itself, in co-operation with the private sector, to reaching a level of 1.5 per cent of gross national product. To date we are already ahead of our commitment to reaching that goal. We have given over $1.5 billion this year. We have done it in a very constructive way in co-operation with the private sector. There is new funding for microelectronics centres in Vancouver, Edmonton, Winnipeg, Toronto, Sherbrooke and the Atlantic region. There is a new source development fund of $30 million to help Canadian suppliers of high technology goods and services. The Natural Sciences and Engineering Research Council has an extra $20 million. There is an extra $27.5 million for application and marketing of Telidon Videotex technology. We have established an industrial opportunities program to co-ordinate existing programs, involving expenditures of $275 million annually. The government's work with Telidon has made it a world leader of which hon. members on all sides of the House are proud. I commend the department for setting up a $12.5 million program involving an office communication systems program. This is done in conjunction with companies such as Mitel. It will help increase white collar productivity, and we know that the number of white collar workers is increasing at a much faster rate than that of any other workers in our economy.

The Corporate Productivity Research Group includes Motel, Skyline Cable, The Canadian Imperial Bank of Commerce and AES. This is an example of drawing together the strength of the private sector and the public sector to go on to new achievements in the fields of microprocessing and microtechnology. I believe microtechnology is important because it presents an incredible opportunity to create the new jobs which are going to be necessary in the future and and the extra productivity and social equity we want so that we can find, for example, more higher paying jobs for women.

In his remarks this afternoon the Right Hon. Leader of the Opposition said we are not dealing with our economy seriously. He is wrong. The Minister of Finance is dealing with it seriously. The budget represents a long-term approach to reducing inflation and the high interest rates which are the root causes of our economic ills and concerns today. Let me demonstrate what type of confidence has been expressed in this budget. On August 4 the Canadian dollar was worth 80.31 cents U.S. Last Friday, after the budget, it was worth 84.09 cents. At noon today it rose to 84.32 cents. That is an expression of confidence. With a higher dollar we will be able to reduce inflation further, and that will make it possible to reduce interest rates. This was an expression of confidence in the budget by the international community and an expression of confidence in the direction being taken by this budget.

Some hon. Members: Hear, hear!

• (1750)

Mr. Bill Domm (Peterborough): Mr. Speaker, before getting into the main content of my remarks concerning the budget, I would like to refer to a couple of comments that have been made. It is quite astounding that members opposite are under the misapprehension that the people of Canada are sitting at home, reclining in their easy chairs, watching television as though the greatest thing to ever happen in their lives has happened.

Actually, these people are starting to wake up. They are beginning to put their chairs in a vertical position and are fast arriving at the conclusion that the budget has misrepresented to them the facts as they pertain to the speech of the Minister of Finance (Mr. MacEachen).

The budget brought down last Thursday night is nothing more than a blueprint for economic stagnation. As I proceed through my remarks, I will read into the record what the

people in the ridings across Canada, both in the business and agricultural community, and home owners in particular, think about this budget and how it will affect them.

The government has spent a lot of time talking about restraint. In reality, it will be spending $13.1 billion more than it takes in. The people across Canada have reached the conclusion that for the government to have acquired over a period of a decade or more a debt of some hundred billion dollars with an interest payment to exceed $10 billion annually shows that it knows very little and practises absolutely nothing about restraint.

Another point made today regards the equity that appears in this new finance document known as our current budget. This budget is a bit of a sham. There is a lot of cover-up. People are beginning to realize that the higher income groups across Canada—and there are a lot of them as was stated by the Leader of the New Democratic Party (Mr. Broadbent) in his speech earlier—are the ones who will benefit from this budget. A lot of people in Canada earn $100,000 a year or more.

What is being done with that group of high-income people? Has the government taken from the rich and given to the poor? It has taken the 64 per cent tax rate of that group and lowered it. It has reduced the tax levied on high income people across this nation. The maximum personal tax that can be charged to that group has been set at 50 per cent.

It must be very difficult for a lot of Liberal Members of Parliament to return home and convince their constituents that this government has taken anything away from the rich. What it has done is to reduce their tax rate from 64 to 50 per cent.

Let us look at the fairness of this budget. A lot of deception can be read into the remarks by the Minister of Finance. This budget clearly and factually increases government revenues by 31 per cent while at the same time it will allow the government to continue to spend 22 per cent more than it did last year. It will be very clear to the people of Canada that the government is up to its old tricks. It is taking figures, juggling them, taking a little away here and a little away there. In reality, it very strongly favours the rich. I do not see much of a penalty imposed on the banks for the interest rates they derive or on high-income people who have had their tax rate reduced from 64 per cent to 50 per cent.

Let us look at what is in this budget for people in dire straits, those who were building up their hopes and expectations that the government was finally going to listen and implement a policy that would mean less of a financial burden in the coming year. What has been done for this group, namely, the home owners, small-business men and farmers?

First I want to deal with the home owners. I can speak with a reasonable amount of exposure to home owners, having been a real estate agent for a number of years. There is no doubt in my mind that the vast majority of Canadians who have scrimped, saved and invested in order to own a piece of Canada are in great jeopardy of losing that. It is not sufficient to tell those people that the government intends to address seriously the problem of high interest rates. This budget does nothing more than subsidize the interest payments of a few hundred Canadians in some of the larger metropolitan areas in order that they will not have to spend more than 30 per cent of their gross income on interest payments for a mortgage.

There is a specific case in the constituency of Peterborough which has created a great deal of anxiety and concern for a home owner. The gentleman has allowed me to read into the record his specific situation. It clearly shows that what the government is offering home owners today is nothing new.

CMHC has followed the policy of advancing part of interest payments to home owners to tide them over a difficult financial period. I wish to refer to a specific case in my constituency.

In 1976, Mr. Tippet, a resident of R.R.2, Warsaw, took out a CMHC mortgage for $32,294. He required some assistance from the government in order to buy a home. CMHC arranged for AHOP assistance, assisted home ownership made easy. They advanced $3,200 to him since 1976 in order that he could reduce his payments.

The interest rate when the mortgage was renewed as recently as three years ago was 11¾ per cent. That is the interest figure I will use. It was lower than that in 1976. He has now added $3,200 to the original $32,294 mortgage and now owes $34,979. CMHC took a second mortgage for the $3,200. Mr. Tippet has to pay $342 a month. He went along with this plan from 1976 to 1981. They told him that the time has come for him to pay back the $3,200. They told him that they would like interest at the rate of 19½ per cent. I realize we are approaching six o'clock. I will complete my story later. We are now up to $34,979.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. When the House rose at six o'clock, the hon. member for Peterborough (Mr. Domm) had the floor.

Mr. Domm: Mr. Speaker, since Mr. Tippett's payments are now up to $566 a month on his mortgage payments, and they exceed 30 per cent of his income, he will be eligible for an interest loan on which there shall be interest charged to this new third mortgage, remembering that he has a first mortgage with CMHC, a second mortgage with AHOP, the assistant home ownership made easy, and now he is eligible under this new budget program for a third mortgage of $3,000.

We now have a constituent in my riding who purchased his home in 1976 with a first mortgage of $31,779, a second mortgage, an AHOP program that is compounded to $3,200, and now a third mortgage of $3,000, for a total of $37,979, as a result of the new budget introduced by the Minister of Finance. That means that in 1982 Mr. Tippett will owe $5,685 more than he did when he bought his home in 1976. He will be obliged to pay back all the Liberal government's interest assistance programs that he has enjoyed for the past five years.

Since I reviewed the mortgage interest situation, perhaps I might read into the record three statements from my constituents who have written me about the high interest rates and how they affect them. The first letter was received and signed by a depressed war veteran on Aylmer Street in Peterborough. Very briefly, he says:

> Enclosed figures of my mortgage rates and so on . . . my last mortgage which was just concluded was at 12¼ per cent and my payment was $330 and now I have just signed a new five-year contract at 20¼ per cent for payments of $413. As a war veteran, I find this almost impossible. Bill, my take-home pay has dropped 75 per cent and I am going to lose my home. See what you can do. Thanks for any help.

I have another letter from Patricia St. Laurent of R.R. No. 4, Peterborough, which reads:

> I am writing to express my great dismay with the present government's handling of the economy, and, in particular, the practice of maintaining high interest rates. In conclusion, I urge you to consider the plight of thousands of Canadians and try to convince the present government to remedy this very destructive situation.

Here is another letter from a single parent, Sylvia M. Munn of Water Street, Peterborough, who says that she for one would like me to bring this to the attention of the minister because, as she says:

> I will lose my home by July if assistance is not received. The terrible mortgage rate is a crime. I am a single parent and I greatly need help and I would appreciate receiving any that might be available.

I am sure she will be very happy to know that the present government, through its very generous mortgage assistance program, intends to compound more debt and add interest to that.

I have another letter from Mr. Bolton of Terrace Road, Peterborough. He says:

> I would like to submit my name to your list of high mortgage rates to be forwarded to the housing minister, Mr. Cosgrove, in Ottawa. My mortgage was renewed at 22 per cent. It was formerly 9.75 per cent. My payment went from $300 to $624, principal and interest, for my mortgage on my home.

Finally, I have a letter here that says:

> We exist on a small income that I am able to bring in as a sales clerk in a store, and along with my husband's veteran's disability pension, we have found it impossible to carry on our existing mortgage at 12 per cent. However, the new mortgage makes it impossible for us. Any help would be very much appreciated.

And so the list goes on. Yesterday the government had the gall to run an advertisement in the *Peterborough Examiner* which says, "Attention home owners". Any car dealer in Canada would be jailed for running an advertisement such as this one. The advertisement reads:

> If you have more than 5 per cent equity in your home, your lender may be able to defer your interest payments by up to $3,000 for one year.

There is not a car dealer in Canada who could run this advertisement without telling his customers what the interest rate would be, what the payments would be and what the amortization would be. Yet the federal government spends tens of thousands of dollars on hoodwinking the Canadian public into a home ownership plan made easy, when in reality what it does is to compound the interest to the point where the people are forced out of their homes because of their inability to pay. Then it has the gall to put in a $16,000 ad in *The Globe and Mail* this morning which reads: "Canada, we have a lot to offer each other." This $16,000 was paid by the federal government. What small businessman could not put $16,000 to better advantage than that?

● (2010)

The minister tabled in the House of Commons today the supplementary estimates of the government, which supposedly practices restraint. In the supplementary estimates, hidden under a section of Industry, Trade and Commerce, is $1,200,-000 as a supplementary one dollar estimate. What is the $1,200,000 for? It is to convince the grocers of Canada that they need metric in the retail food sector. This is the kind of nonsense with which the people of Canada are fed up, and the small business community is no exception. The former Liberal member who spoke before me, the hon. member for Willowdale (Mr. Peterson), called this a budget of stability. I wonder what kind of stability the budget has? It was a Liberal member opposite who the morning after the budget was brought down stood in the House and said that *The Globe and Mail* flattered the government on this incentive budget and said that the budget would do much for Canadians.

I think *The Globe and Mail* finally got around to looking at the budget. I should like to quote from an editorial which appeared in that newspaper on the following day, in rebuttal to the Liberal member who said that *The Globe and Mail* liked the budget. It reads as follows:

> The minister's own figures show an intended increase in the tax burden of fully 43.1 per cent over the course of this year and next. This $20 billion increase in taxes represents an average tax increase of about $1,700 per person employed. This unprecedented tax hike on top of 12.5 per cent inflation, high double-digit mortgage rates and mounting lay-offs will deliver stinging setbacks to the entire consumer sector which represents about two-thirds of the economy.

This is what *The Globe and Mail* thinks about it. What does a former Liberal finance minister think of this terrific budget, as reported in the *Toronto Star* in the section entitled "Insight"? That is a good section in which to put the budget because it took a couple of days for this disastrous budget to sink in. It was a statement by Mr. Eric Kierans. I think everyone on the other side will remember him. He was one of

the former finance ministers. The *Toronto Star* indicated the following:

Eric Kierans is a former federal cabinet minister and professor of economics at McGill University.

Also it indicated that the economic package of the Minister of Finance "comes up empty". As reported in the article, Mr. Kierans said:

The budget as a whole reflects a complete ignorance of, or refusal to deal with, the economic reality of Canada—

This gives us some idea. What does the Canadian business community think of this terrific incentive budget which is supposed to turn the economy around, to reduce inflation and to create employment?

I should like to refer to a letter from Canadian Energy Systems which is located in Peterborough and in Grimsby, Ontario. It reads:

As our Member of Parliament, would you kindly put the fellowing question to the finance minister . . . Do you have a mortgage on your own home . . .

As a small-business man, the only way I can afford these exorbitant interest rates is to raise the price of the goods I sell. Is this not considered by the minister to be inflationary?

I read that letter is answer to the hon. member for Willowdale who said that the budget is a budget of stability. I do not think the business community thinks it is a budget of stability.

I should like to refer to a letter from a retired bank manager, Mr. Douglas Cruthers. He should be somewhat of an expert on financial forecasts and economic programs. His letter reads in part:

Having been a banker for 43 years all I can say is that this . . . is the height of rationalization of the irrational.

All the present policies will accomplish is to rob those who have saved money and put it away to provide for a reasonable standard of living in retirement.

I suggest that the government must soon start to listen to the people of Canada if it is to turn the economy around, to create jobs, to reduce inflation and to strengthen the Canadian dollar.

Now I should like to turn to a letter from rural route No. 11, Peterborough, Ontario, which reads as follows:

My company went bankrupt in 1981 and I have been seeking employment ever since . . . I have worked very hard all my life and now I need some help. I can't get it . . . we live on $30 per week for groceries . . . I have personally lost everything I have worked for, except the love of my family—

The author indicated that he needed some help from the government. I am sure that gentleman does not feel highly about the economic stability of the present Liberal budget.

The main problem with the budget is that it discourages investment. Investment is the lifeblood of business. It creates jobs, it creates expansion, it spurs growth, and it creates profits which in turn create tax revenue that should be spent through a responsible budget. We have not found that responsible budget. The governement has not created the added revenue which it is the first to realize it needs. It cannot create added revenue for the benefit of the country by overtaxing people in a recessionary period. It must somehow or other figure out as a government how it will stimulate the economy, put people back to work, return to free enterprise, get out of the marketplace and stop taking over corporations. We as a government cannot run those corporations as well as the private sector. The more we meddle in the private sector, the more trouble we get into. I am sure everyone in Canada is pleased to own a piece of Air Canada and of Canada Post. I do not know how pleased they are to own Petro-Canada. I do not think anyone in Canada, although they use Petro-Canada service stations, have found that the gas is any cheaper. I do not think they are receiving any added service at Petro-Canada service stations which they did not get from private owners. There is nothing wrong with Canadian ownership, but there is a lot wrong with socialism and public ownership. That is the direction in which the government, with the help of the people to my left, is taking us. It was the people to my left who voted the Conservatives out of office. Now we can look at Manitoba and the other provinces in the west, at the huge deficit and at the fact that we are paying 60 to 80 cents per gallon more than we would have paid under a Conservative government, and say that the NDP and the government together have driven us a little further down the road to a socialist form of government. The budget does nothing to stimulate the economy or to encourage investment. In fact it penalizes people for investing both at a personal and a corporate level.

I should like to take another look at the *Toronto Star,* which is a favourite paper of members across the House. They love the *Toronto Star*. Let us see what that newspaper says about the construction industry and how it has been affected by this terrific, incentive budget, as the Liberals call it. The article, entitled, "Budget 'killed' rental construction economist says", appeared in the November 14 issue of the *Toronto Star* under "Budget Highlights". It was written by Denis Grayhurst, and reads:

Finance Minister Allan MacEachen's budget has effectively killed rental construction across Canada for the next six months at a time when vacancy rates are falling, housing economist Frank Clayton says.

"The budget speech deliberately misled people to believe rental construction was being stimulated," he said.

It continued:

Builders had planned and pre-sold buildings on the old basis, only to find the rules suddenly changed. And the change makes the deal much less attractive to investors.

He predicted that up to 4,000 MURB units planned for this year, but not yet sold, will be abandoned. And nothing will be built next year.

"I don't think they (Ottawa) were fully aware of the implications."

He was referring to the implications of the so-called housing program, the mortgage assistance program, and the rental unit assistance program. It is one of the few remaining areas of personal investment in companies taking a risk. At the personal level, an average Canadian today will not be able to borrow $1,000, put it into a starving company, and declare the interest

payments on the loan as a deduction while waiting for a return. In other words, if someone got the idea that they would like to open a little restaurant, a corner confectionary store or a service station and found that they could borrow $1,000, there is no way under this Liberal budget of writing that $1,000 interest off. I know the government does not care about that because the mood on the other side of the House is not one for creating the incentive for people to invest money and take a chance to build a piece of Canada.

• (2020)

The government's program is to deal exclusively with the large corporate conglomerates and gain entrance into profitable areas wherever it can, by expropriation if necessary, and to eliminate the guy in the middle and particularly the guy at the top who is on his own.

The government has the gall to reduce the personal income tax of an individual in Canada from 64 per cent to 50 per cent if he makes $100,000 per year. In press releases the government claims to have taken the money from the rich to give to the poor. That sounds good to the government. In practice it is good, but in reality it is not even in the back of the minds of the government, let alone the front of the budget. The government has reduced the amount of tax to be paid by men and women making $100,000 per year. They will now only have to pay 50 per cent tax, yet the government has the gall to claim that it has taken from the rich.

I think we should look very closely at what is happening to small companies that are having a problem raising cash for working capital today. The government is telling them to go to the Federal Business Development Bank. In my riding in Peterborough Mr. Speaker, the local Federal Business Development Bank approved eight applications out of 101 requests for financing in the last quarter. In Peterborough, eight out of 101 small businesses received a loan at the going rate, not a preferential interest rate. The FBDB is an institution that lends money to businesses as a last resort. The last resort in Peterborough is eight out of 101. That is not good enough, Mr. Speaker. It is not what the Federal Business Development Bank was set up to do. It was set up to give assistance.

The government has reduced the amount of the federal bond issue, which makes money available to small businesses at a preferential rate, from $200 million last year to $20 million this year. It has taken $180 million away from the business community and has reduced the money that is available though the Small Business Development Bond issue to $20 million.

That is what the government thinks of small business, Mr. Speaker, and that is why the small business community is going bankrupt at the rate of 5,000, 6,000 or 8,000 businesses per year. They cannot exist without access to money at a reasonable rate.

The list is endless, Mr. Speaker. I am sure you would let me read two sentences from a letter which I received in my office as it pertains to the farm community. It reads as follows:

> Because of setbacks in the dairy industry early in our life of this mortgage, production cuts and slowdowns, progress in our farm business has been slower than planned, about two years slower . . .
>
> The last alternative is to sell the farm. Not only do I want to keep the farm and farm it, but I can see a worth-while future resulting from our planning and hard work.

Mr. Deputy Speaker: I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Hear, hear!

Hon. William Rompkey (Minister of National Revenue): Mr. Speaker, it is with great pride that I rise to speak in this debate. I say pride because this is a budget based on Liberal principles—the principles of a fair share for all and the principle of helping first those who need it most.

It is a budget that recognizes realities. It recognizes that inflation is an enemy growing stronger every day, an enemy that must be fought. All of us, individuals, governments and businesses, must do battle against that enemy, but the economically strong will be called upon to bear the greater burden. Conversely, we must take steps to protect and shelter the economically weak.

This budget provides that protection. It recognizes that provinces and individuals at the lower end of the scale must be helped. Let me cite a number of examples.

A family of four will now be able to earn up to $15,000 without paying any federal tax at all. There are a lot of families in that category in Newfoundland and Labrador, Mr. Speaker, and all of them will welcome this budget.

Tax rates will be reduced for all those with taxable incomes over $11,000. The top combined federal-provincial rate in Newfoundland will drop from 67.9 per cent to 53 per cent. That will mean more money in the pockets of the vast majority of people in my province.

The federal tax reduction will be set at $200 for all taxpayers, but married taxpayers will be able to claim an additional $200 for dependent spouses, thus doubling the tax credit for lower income couples. Moreover, indexing of income tax will continue for 1982, bringing further tax reductions and therefore savings.

The child tax credit will rise from $261 to $293 per child. This will be a tremendous help, Mr. Speaker, to the vast majority of families in my riding and throughout the province, and this assistance will continue and increase.

A reduction in unemployment insurance premiums will also increase take home pay and provide further cash assistance.

Home owners in greatest need have not been forgotten in this budget. Some time ago I received a petition from my

riding calling on the government to provide help for those people with unbearable mortgage payments. This budget provides $350 million for home owners. It provides a guaranteed repayment of deferred interest to those whose payments would exceed 30 per cent of their household incomes. For those who do not have sufficient equity in their homes to support interest deferral, the government will pay up to 100 per cent of the interest deferred to a maximum of $3,000.

I am particularly pleased that the small business bond will be maintained. this has provided help to many small businesses in my province and across the country by ensuring loans at a lower rate of interest. The bond will now be available to unincorporated businesses as well as farmers and fishermen.

Some hon. Members: Oh, oh!

Mr. Rompkey: I would ask the same sort of consideration from my colleagues opposite that we gave them, Mr. Speaker. They have their time allocation. I would ask them to make their points then and be courteous enough to allow me to make mine now. The fat cats over there may think that this is not important for their riding.

We should not underestimate the degree of help this budget will provide in a province like Newfoundland, small businesses, particularly those connected with the fishery, are the backbone of many small rural communities in Newfoundland and Labrador, and this measure will be a break for them by reducing their financing costs by six to eight percentage points.

These measures will be a great help to people all over the province. Indeed, an economist with Touche Ross in St. John's, says this budget will benefit Newfoundlanders more than anybody else in Canada.

These are measures that show that inflation is not being fought on the backs of the needy. These are measures which help first those who need it most. These are measures designed to raise up those at the lower end of the economic scale.

It was the Minister of Finance (Mr. MacEachen) who introduced medicare to the House, and Liberal governments throughout the years have had a strong commitment to maintaining high standards in both health care and post-secondary education. This budget reaffirms our commitment. False rumours have been spread all across the country, mostly by the opposition, that federal aid to health and education would be cut.

• (2030)

I received a delegation from the council of the students union at Memorial University in Newfoundland. They pointed out to me the great difficulty the university would have and the students would find themselves in if this were to happen. There was never any intention of cutting funding for health and education. The budget indicates that on the basis of new federal proposals, federal contributions to health care and post-secondary education are estimated to grow from $11.5 billion in 1982-83, to $19 billion in 1986-87, an annual rate of 13.4 per cent. That is the commitment.

For my own province, this story is as follows: in the five years from 1977 to 1981, Newfoundland received, in cash and tax, $850 million for health care and post-secondary education. Over the coming five years, the federal contribution will be $1,450 million, rising from $221 million in 1982-83, to $366 million in 1986-87. I am happy to say to the students and faculty at Memorial and other post-secondary institutions in Newfoundland and all across this country that we know the value of education to this country, and we intend to keep our commitment. However, some way must be found of ensuring that these funds actually go to finance education and health—

Mr. Laniel: That's it. That's the problem.

Mr. Rompkey: —for while federal contributions have been increasing, provincial contributions have been decreasing. The president of Memorial University, in his convocation speech last spring, pointed out that last year there was only an 8.5 per cent increase in the annual grant from the provincial government to the university at a time when government expenditures are increasing by 12 per cent and university costs are rising 15 per cent. He went on to say:

> Another reason why I find the decision of the provincial government so difficult to understand is that it is receiving from Ottawa from the post-secondary portion of EPF more than it in fact spends on the programs approved within that fund. In short, all the dollars spent on the university are federal dollars. I realize that the transfer to the provincial government is unconditional. But the money so transferred was designed to be spent on the programs approved within that fund.

That was a quote from the president of the university in Newfoundland. I think that it is clear from that who is keeping his commitment to education and who is not. However, it will not be enough for the federal government to maintain and increase its support of post-secondary education. In light of what the former president of Memorial has said, ways and means must be found to ensure that those funds actually reach the students for whom they are meant, and are not simply caught up in other priorities of provincial governments. There is no point in allocating funds for education to the provinces if they continue to use this money for other things and, in the meantime, decrease their contributions to education.

In this budget we are proposing that new federal-provincial arrangements be devised for financing education and human resource development by March, 1983. We owe it to students to ensure that dollars earmarked for education go to education and not to something else. Equalization has been a fundamental principle of our federation. This government maintains its commitment to that principle. My own province has always been far too dependent on transfer payments. I think that is a point on which both the federal and provincial governments agree.

The task will be to free Newfoundland from its dependency on transfer payments and to make it self-supporting. If a deal can be made on the offshore, we will have taken a giant step toward that goal. I only wish the negotiations that are going on now had started two years ago, as I and others had urged. If this had happened, we would now be much closer to the creation of real dollars from resource development, and discussions of equalization payments would have been far less important. However, they are still important today, and this budget makes new proposals for federal-provincial transfers.

First of all, let me repeat that there will be no cuts in funding for education and health. There will be a loss to Newfoundland of $19.5 million in the coming year as a result of the discontinuation of the revenue guarantee compensation. However, the province stands to gain $11.7 million as a result of budget tax changes. If we subtract, we get a net loss of $7.8 million. However, all this is separate and apart from equalization payments.

We are proposing an improved equalization formula with a more comprehensive measure of fiscal capacity and an Ontario standard. When all elements—

Mr. Blenkarn: Not a Canadian standard, an Ontario standard! An Upper Canada standard is what you want! Is that right?

Mr. Rompkey: Mr. Speaker, if the—

Mr. Blenkarn: Not the Canadian standard!

Mr. Rompkey: If the hon. member wants to make speeches on subjects which are close to his heart, including native people in this country, let him rise at the appropriate time.

Mr. Blenkarn: I will.

Mr. Rompkey: But all of this is separate and apart from equalization payments. We are proposing an improved equalization formula. When all of the elements of transfer payments are taken into account, including the new equalization formula, the cash flow to Newfoundland will increase by $70 million. For the year 1983-84, the cash flow is expected to increase by over $100 million. That is the real story. The bottom line is that when all forms of transfer payments are taken into account, Newfoundland will gain $70 million over the next year and $100 million the year after.

Newfoundland does not want to exist forever on transfer and equalization grants. We want to be equal partners in confederation, contributing and not taking. The government of Newfoundland has maintained this position, and I concur. That is why we are anxious to get on with megaprojects which can help Newfoundland grow. That is why we are offering 100 per cent of provincial type revenues on the offshore. That is why we created the Lower Churchill Development Corporation and put $200 million aside as our share of the equity in the Lower Churchill project. That is why we are devising ways and means to encourage the building of drill rigs and supply ships in Newfoundland. That is why we are proposing that $178 million per year be spent on transportation to bring the various modes up to standard. We now have $60 million ready to be spent from the ministry of transport budget in Newfoundland on roads, on airstrips and on ferry terminals. However, we cannot spend it because we cannot get an agreement with the province of Newfoundland.

Many economists and boards are forecasting that Newfoundland will lead all of Canada in growth in the coming year, and in view of our great resource potential, I have no doubt that that is true. The best way to develop the economy of Newfoundland would be for both governments jointly to seize opportunities for resource development, rather than continuing dependence on transfer payments.

The Government of Canada stands ready to build a new Newfoundland and Labrador which is not dependent. However, until such time as it is economically independent, we intend to see that it is treated with equity and fairness.

That leads me to measures in this budget which will concern me as Minister of Revenue. Fairness and equity in the tax system require that Canadians of equal incomes pay the same amount of tax and that those with higher incomes pay a greater proportion of their incomes in tax. In the past decade or so, a number of special tax preferences have developed in the tax system which allow some Canadians to reduce their share of the tax burden below what is paid by those on lower incomes. By eliminating many of those tax preferences, we can broaden the tax base and lower the tax rates, generally. Full indexing has been retained for the year 1982, and this ensures that taxpayers will not be pushed into higher tax brackets by the simple fact of inflation. It has helped to maintain the equity of the tax system by preventing the erosion of the real value of the basic tax deductions and exemptions.

The budget proposes, effective January 1, 1982, to repeal the general averaging provision of the Income Tax Act and delete the deduction for the purchase of income-averaging annuity contracts. It also proposes to end opportunities now available for individuals and corporations to defer income tax on capital gains by claiming reserves. A new forward-averaging provision will be made available to individuals, effective—

Mr. Blenkarn: Totally indecent!

Mr. Rompkey: —for the 1982 taxation year. However, it will not be available to corporations or trusts. This provision will permit taxpayers with large increases of income in any year to average the increases out over future years when they anticipate being in a lower tax bracket.

Mr. Blenkarn: Providing they pay interest in advance.

Mr. Rompkey: The replacement of the general averaging and reserve provisions by this new forward-averaging measure will mean that the tax system will contain one averaging mechanism generally available to everyone.

Mr. Blenkarn: It already does.

Mr. Rompkey: The Income Tax Act will also be amended to provide for the full taxation of certain employee benefits previously exempt from tax and to provide new rules for determining the appropriate taxable value of other benefits. The budget proposals in this area also reflect the government's attempt to apply the tax laws to all individuals on a more equitable basis.

● (2040)

The finance minister has indicated that my department should regard as income certain fringe benefits, including transportation passes and subsidized or free board and lodging. As these benefits are not available to all employees, the department will in future require that such benefits be reported on the basis of their fair market value and included as part of the employee's income for tax purposes.

Similarly, the rules concerning low interest loans to employees and shareholders will be tightened up to eliminate the exclusions that were formerly accepted. Those exclusions meant that employees and shareholders could receive, tax free, low interest loans of up to $50,000 on the purchase of homes.

Mr. Blenkarn: What was wrong with that?

Mr. Deputy Speaker: Order, please. The hon. minister has the floor.

Mr. Rompkey: I am glad that you rebuked the spokesman for the great corporate interests of this country, Mr. Speaker. As I was saying, such tightening of the tax rules creates a system more equitable in terms of taxpayers who are not privy to such arrangements.

The budget also proposed to tighten the rules of the use by an employee of the company's car. The taxation of the benefit that the personal use of the company car provides to the employee is determined as a minimum standby charge. That standby charge is to be increased one-and-a-half times in an effort to bring the value of the benefit more into line with the actual benefit of the car to the employee. However, in cases where the employee feels the value of the benefit exceeds his actual personal use of the car, he will be able to present documentation to the department to justify the lower benefit.

Another fringe benefit that will be taxable is the employer contribution to supplementary health or dental plans. Employer contributions to medical and hospital insurance plans administered by the provinces are currently taxable as income from employment and will now be extended to include contributions to other types of health or dental insurance plans.

The budget has also proposed that termination payments received by employees as of November 12, 1981, be fully taxable. There will no longer be a limit of six months' salary on the amount of the termination payment that is taxable.

On the question of ending one's employment, there is another important change proposed; this one to affect retiring allowances. As of November 12, the maximum amount of such retiring allowances that will qualify for a rollover to a registered retirement savings or registered pension plan will be $3,500 times the number of years of employment, excluding those years that the employee was a member of the employer's registered pension plan.

Business firms will not be permitted to deduct their contributions to a deferred profit-sharing plan that provides benefits to the principal shareholders of the firm.

Mr. Blenkarn: The profit should not be shared?

Mr. Rompkey: Nor will such plans be accepted for registration in future.

Mr. Blenkarn: Don't share the profits.

Mr. Rompkey: I would ask the hon. member with a size eight brain and a size ten mouth to please be quiet.

Mr. Blenkarn: Read on.

Mr. Rompkey: Personal service corporations, established by senior executives and high-income individuals to convert their employment income into business income eligible for small business tax incentives will, in future, be subject to the full corporate income tax rates. In addition, expenses which are not ordinarily deductible by employees will also not be deductible when incurred through such personal service corporations.

Finally, in the area of northern benefits I am pleased to say the remission order has been extended until the end of 1982. This will allow the government time to review the need for and the means of providing alternative forms of assistance to employees working in the north and in isolated posts. However, the tax relief under the remission order will be confined to benefits granted under employer-employee agreements reached before November 13, 1981.

The north is a special area of Canada, resource rich but often isolated and sometimes seen as inhospitable. And yet the future of this country will depend in no small measure on how we develop our northern resources. Those who live to the south must recognize that people in the far north have greater costs and fewer services. Often they feel cut off from the rest of Canada which they refer to as the outside. The extension of the remission order and the plan to replace it with a new policy is a signal to people in the north that they are full partners in confederation and that their special circumstances will be addressed with fairness and equity.

I would like to touch on a few other areas covered by the budget that I know are of concern to many taxpayers. For example, the question of income from properties.

Under the present tax law, investors in rental or commercial developments have been able to obtain an immediate write-off, in full, of so-called soft costs incurred prior to completion of construction. Such soft costs include the interest on money to finance development, land taxes, legal and accounting fees, mortgage fees and other such costs. As of November 12, costs of this type will be capitalized rather than being immediately deductible.

Mr. Blenkarn: That stopped a lot of deals.

Mr. Rompkey: I must also deal with the important issue of principal residence.

Mr. Blenkarn: That will make sure a lot of people won't have homes.

Mr. Rompkey: As you are aware, the Income Tax Act has allowed every person a principal residence free from capital gains tax. The budget proposes that after the 1981 taxation year, a married couple should enjoy the benefit of only one principal residence between them for the purpose of capital gains.

Mr. Blenkarn: They should get a divorce, then they can have two.

Mr. Rompkey: The gains on the second property that have accrued to the end of 1981 will continue to be free of capital gains, but after 1981 will start to accrue capital gains for tax purposes.

Again on the question of capital gains, I want to mention a proposed change to the Income Tax Act that will affect businesses and professionals. After November 12, no capital cost allowance will be allowed on art objects and antiques with the exception, and this is important to note, of initial purchases of the works of living Canadian artists. Until now, art work and antiques bought by business and professional firms could be written off at 20 per cent a year. In fact, such works of art and antiques most often appreciate in value rather than depreciate, and are often personal investments.

The customs and excise branch of my department will also be involved in the administration of certain budget changes. The federal sales tax will be moved from manufacturing to the wholesale level effective July 1, 1981, and the rate will be reduced so that revenue will not be affected. This new structure will remove a number of inequities as well as the present bias against Canadian-produced goods.

Mr. Blenkarn: And diddle the consumer.

Mr. Rompkey: My department will be discussing this matter with those affected in the near future. Revenue Canada will also be involved in administering improvements in the general preferential tariff for developing countries. Its coverage will be extended and rates reduced on a range of products of interest to developing countries. As well, duty free entry will be granted for imported products designed for disabled persons. Is the hon. member against duty free entry of goods for disabled persons? He is against that. Let the record show the hon. member for Mississauga South (Mr. Blenkarn) opposes that.

The main thrust of this budget is the fight against inflation. By bringing inflation down we will bring interest rates down and encourage investment. All across the country are projects waiting to be started. In my own province there are projects connected with offshore oil, the fishery and hydroelectric development which can create thousands of jobs. If the Government of Canada curtails its expenditures and thereby withdraws from the borrowing market, it will leave room for those firms which want to invest in these projects and create these jobs.

This country has a fantastic potential and it is the aim of this government to see that potential realized. But that aim will be difficult, if not impossible to reach, if we fail to lick inflation. And all must fight, each according to his capacity. Obviously, the economically powerful are better able to fight, and this budget issues the marching orders and the weapons for that fight. But each and every Canadian has a responsibility to fight inflation by living within his means and by keeping his own personal expenditures to a manageable limit. The battle against inflation must be won and can be won. But it must be carried on with fairness and equity, giving the rich a greater burden than the poor. That is what this budget does.

• (2050)

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I find it very interesting to follow the Minister of National Revenue (Mr. Rompkey) because it is his department and his responsibility to look after the implications of this budget and he, of all people, should understand them. When he rises in his place and says that he is proud of this budget, I have to feel sorry for him because obviously it does not take much to make him proud. When he talks about Liberal principles, the principle of equity, I believe it is already evident by the reaction of Canadians that the only equity which will be shared as a result of this budget is misery. That is exactly what this budget will cause from one end of the country to the other.

I recently had a conversation with my colleague, the hon. member for Calgary North (Mr. Wright) who told me that a contractor in his riding laid off 40 people this morning as a direct result of this budget. Although the minister talks about projects waiting to start, this was a project already in operation which has been forced to cease operation because of the provisions of this budget. The minister constantly talks about "marching orders". The only marching order issued by this government as a result of the budget is a marching order to go backward economically.

When we talk about an inflationary budget, the government should realize its own responsibility toward some of the things the minister so piously espoused tonight when he suggested that every Canadian must do his part to fight inflation.

The hon. member for Peterborough (Mr. Domm) pointed out the callous waste of money being spent on advertising in this country and the ridiculous use of JetStar planes to fly cabinet ministers across the country needlessly. The government should be setting an example for Canadians if we are to fight inflation.

Some hon. Members: Right on!

An hon. Member: That would be un-Liberal!

Mr. Mayer: There are many issues to deal with, Mr. Speaker, but I would like to begin by posing the question of what a budget should be. If I were the Minister of Finance (Mr. MacEachen), one of the ways in which I would approach a budget would be to consider what Canada is. It is very similar to a very large corporation. A budget should provide solutions to problems facing Canada, and this is something that this budget does not do. The record of this government for the past 12 years has been disastrous. We can use statistics to prove this until people get very tired of them, but since the Prime Minister (Mr. Trudeau) has been leading the government, the interest rate payments have risen to an amount equal to the total budget for the federal government when he came to power in 1968. That is an explicit example of callous government spending.

When the voters go to the polls, they are in effect hiring a manager for a large corporation. If we view the performance of this government as we would the performance of a manager during the term he is hired, then this government comes up short.

I would like to turn now to the NDP. The reason this government is in power is that almost two years ago the NDP proposed a motion which defeated the Crosbie budget.

An hon. Member: We had an election.

Mr. Rompkey: Just like the one you are going to have tomorrow in Manitoba.

Mr. Mayer: That is right. And I hope some of the people are watching and paying attention to what I am saying. My point is that it was an NDP motion which defeated the Crosbie budget. We have heard the New Democratic Party talk in the last year about getting help for home owners and for people suffering from high mortgage interest costs. I point out to them if the Crosbie budget had been passed, there would have been approximately $1,000 or more available to each home owner in Canada to assist him with his interest payments on his home.

An hon. Member: Subsidize the banks.

Mr. Mayer: This would have been available without the need for the home owner to beg for the money. It is my understanding of the budget that for a home owner to be eligible for the $3,000 provision, he must declare all his debts and be able to lay out his complete financial picture. When the Department of National Revenue decides that the home owner is next to bankruptcy, it will give him the $3,000. Assistance would have been available to a home owner under the Crosbie budget without any questions asked. It would have been a dignified way of redistributing wealth across this country. That is something the New Democratic Party was against. They were also against the energy tax credit which resulted from an 18-cent a gallon excise tax on gas. I do not now hear the NDP talking about the additional $1,400 in revenue this government will derive from the last energy price agreement.

Mr. Rae: That is not true.

An hon. Member: They like high gas prices.

Mr. Rae: Tell the truth.

Mr. Mayer: Are you now in favour of the energy tax credit you voted against two years ago? They are going through a conversion, Mr. Speaker, only it is a selective conversion. They like to forget conveniently some of the things they voted against and be conveniently in favour of some of the things which they realize now may have benefited Canadians.

An hon. Member: How will you vote tonight?

Mr. Mayer: Mr. Speaker, I see you sitting on the edge of your chair paying attention to my every word, but I have a very rude group to my left who are chirping away like a bunch of chipmunks. When we get their attention I hope the truth hurts them and I hope Canadians will realize some of the benefits they would have had under the Crosbie budget if it were not for the chirping chipmunks.

A budget should provide inspiration for the country. It should not be hard to give Canadians a challenge and inspire them to work hard and be productive. Canada has more natural resources per capita than any country in the world. In my area of western Canada, we have more farmland per capita than any country in the world. What we are looking for is ways to be productive. However, this budget does everything possible to discourage production.

The minister spoke about some of the costs which were allowed to be claimed as an expense in the year they were incurred and which will now be capitalized. One of the results of this will be to discourage housing starts and prevent production. This budget discourages production and does not do anything to take advantage of the potential of our country. It provides for the government to take a larger share of Canada's production.

I have seen figures which show the government will take a larger share under this budget than it has at any time since 1946. The Minister of National Revenue talked about that. He was proud of the renewed effort of the government to become more involved in the private economy. The private economy has been the reason for this country's productivity in the past.

The minister also spoke about the small business development bond. The government has destroyed the basic concept of the small business development bond, and the minister admitted as much. He did not call it a development bond, he just

called it a small business bond. It will only be available after the end of this year to people in financial difficulty. It is not for development, it is simply there to help people in financial difficulty. It is a survival bond, and I suppose we need everything we can get in order to survive with the kind of ministers we have in this government. We may not even survive the winter as a result of the change in the Small Business Development Bond policy and many other detrimental effects of the budget.

The only beneficial provision dealing with the Small Business Development Bond is that it is extended to unincorporated business. We have suggested that on this side of the House and we are pleased to see it in the budget. It will help the farmers and—

An hon. Member: The fishermen.

Mr. Mayer: I cannot forget them. However, as the hon. member for Peterborough pointed out, it has been cut in half to $20 million. We have all had a chance to make our plea that the small business development bond be expanded to cover unincorporated businesses, for which it was originally intended. About five months ago I had occasion to talk to the Canadian Federation of Independent Business. They pointed out to me that from the models they worked with, they arrived at a figure which showed the Small Business Development Bond was the cheapest way of creating jobs in Canada, less expensive than some of the DREE programs.

• (2100)

It seems to me that if the government were really serious about renewal and creating jobs in the economy, it would have taken a better look at the small business development bond and not changed it to the point where it will be ineffectual. It has been changed so that the interest will apply only at rates above 6 per cent. It has been said many times that the government has gutted the small business development bond. That demonstrates that the philosophy of this government is very similar to the philosophy of the New Democratic Party, and that is that everything produced by the private sector or by the individual is the government's and that only by decree and by the generosity of the government it allows people to keep what is rightfully theirs. That is not the way to encourage production or to attack inflation. The best way to attack inflation, as we all should know, is to encourage production and, as I have already said, this budget will discourage production. That is already happening across the country. In fact, if the minister were to be honest and straightforward and if he were to look at the editorials from across the country, he would have to admit that this budget has been questioned and condemned by more newspapers and more people than any other budget presented—in my memory, at least.

Mr. King: Ever.

Mr. Mayer: I point out to the minister that some regulations will have to be changed, and I hope he is ready for the work his department is going to have to do. According to a summary done by one of the chartered accounting firms in Canada:

> The tax changes can only be described as massive; there are 165 resolutions dealing with the Income Tax Act, 3 amendments to the Income Tax Application Rules, 10 changes to the Petroleum and Gas Revenue Tax act, 17 resolutions dealing with the Excise Tax Act, not to mention the amendments (or perhaps a brand new act) required to shift the level of tax—

It seems to me that the budget falls very short on that score as well.

A budget should be fair to all people. All people should be able to take advantage of its provisions equally, and the provisions should be simple and straightforward. It seems to me that the people who will get the best advantage from this budget are tax accountants and tax lawyers. We have already seen evidence of that. The Income Tax Act is a massive document, and it is a horrendous job for the average person to try to understand it. In fact, I do not think the average person has a hope of understanding it. Therefore, he will have to rely on tax lawyers and tax accountants who will have to be in conversation and correspondence with the minister's department. This will create problems and prevent the country from being as productive as it is capable of being.

Getting to my area of the country, I would like to talk briefly about some of the transportation problems we have there and about the fact that this budget does not deal with those problems at all. In the Speech from the Throne a year and a half ago the Prime Minister promised double tracking. That was laughable. It was mentioned previously in the election campaign of 1980. We thought of it as a joke at that time. It would be double costing, double dealing, double talking—anything but an improvement on the transportation system, which needs to be improved so that all of Canada can take advantage of western Canada's ability to produce and export grain.

Saturday was a very sad day for me. I was in Portage la Prairie and watched the last VIA Rail Super Continental pull out. The Prime Minister's idea of double tracking seems to be to take away half our passenger service. I suppose that is what we have come to expect from the Prime Minister. He promised no wage and price controls and then brought them in. He promised that an 18-cent increase in the price of gasoline would not happen. The price went up 80 cents. We should learn that when he says double track, he means half track. That is exactly what has happened to our rail passenger service in western Canada.

Mr. Nielsen: Half track Prime Minister.

Mr. Mayer: That is a good handle for him. What has happened is an insult to the good people who have dedicated their lives to the railroads of this country and to providing transportation for Canadians from one coast to the other.

To talk about something other than rail passenger movement, the whole area of grain transportation is in a crisis because of our ability to move grain to export position. We have seen no movement at all on the part of the Prime Minister, the minister in the other place responsible for the

Canadian Wheat Board or the Minister of Transport (Mr. Pepin) to resolve the problem the railroads tell us they are having in relation to earning not enough money from the movement of grain to maintain the kind of service they would like to maintain. We see no movement at all, and it has been said many times before—and needs to be said again—that when it comes to action on the Constitution, it is fine for the Prime Minister to expect that there be unanimity so that he can act on the basis of a consensus, but when it comes to something with which the government should be able to deal on a day to day basis, he expects unanimity among the many producers and producer groups in western Canada on how this very important problem should be resolved. If the government is truly interested in a united country, it should show leadership and provide benefits not only for the part of the country from which I come but for all parts of the country. The government has failed to do this, and that demonstrates again how bankrupt it is.

That reminds me of what crossed my mind when the Minister of National Revenue spoke about renewal. That bunch over there has been there for so long it is totally incapable of renewal, and that is reflected in the budget. The Minister of State for Finance (Mr. Bussières) is shaking his head. I have spoken with him many times, and I would be happy to see him accept many of the suggestions we on this side have made in relation to small businesses and farmers. At least he should investigate some of those suggestions so that we can find out whether we can take advantage of them. I have sent letters to the Prime Minister and the Minister of Finance suggesting some things which could be done. The Department of Finance prepares answers and sends them back to us. The answers are ridiculous and show no understanding of the problems. There is no indication that the department is looking at our suggestions with a sincere intention to do anything about them.

It is disturbing to return to our constituencies and to talk to some of the younger people in them who are attempting to get started. They want to have property, to own farms and to own homes so that they can take pride in themselves and in their country. After all, that is why this country was settled. This country held out hope to people who came to Canada from all parts of the world and homesteaded property which was not settled. People could own land. However, this government, supported by the New Democratic Party, deliberately follows a high interest rate policy. Because of that, it will be very difficult for many young people who are starting out. I have had conversations with young farmers in my riding who have grown very good crops this year. If sold, those crops will generate several hundred thousand dollars each, but these young people are in very serious trouble because they cannot move their grain.

This brings me back to grain transportation. Producers will not be able to sell as much grain as they would like in order to meet their commitments, and there is a distinct possibility that they will not be around next spring to sow another crop. That is a terrible thing to allow to happen to a young person who is starting out. Many young farmers have been in the business four or five years and are just now getting organized and obtaining machinery. They have two or three crops under their belts. This gave them some experience. They know the kinds of crops to grow and are demonstrating their ability to be productive. However, through no fault of their own—we can clearly lay the blame at the door of the federal government—they are now unable to move the products they produce. They are unable to generate cash and are in very serious trouble and may not be able to farm another year.

Those are the kinds of things which should have been attacked in the budget. There should have been a genuine attack on inflation. We should be getting at inflation from the productive side. We should encourage production around the country. Our socialist friends in the New Democratic Party and in the Liberal Party do not understand that we cannot continue to redistribute wealth unless somebody first generates it. We know from experience that the best method of generating wealth is to give initiative to the individual and to rely on the private sector and not the big government sector. People wonder why Russia is so unproductive. I will tell hon. members the simple reason. I would like the Minister of State for Finance to listen. When a Russian farmer raises a litter of piglets in the middle of winter and it is 40 degrees below zero—and it gets that cold in western Canada—the Russian farmer will not leave his mama and run out to the hog barn and lie with the sow to help save a couple of extra newborn pigs to sell the next summer, because they are the state's pigs. In a private economy the individual farmer has pride because he knows that if he saves a couple of piglets, he will have extra income the next summer. That is a simple lesson, but I do not know whether our two socialist parties will ever learn it. It is a lesson that applies in the small farming industry and the small business industry and it applies to the home owner who takes pride in his dwelling.

The hon. member for Peterborough read letters from young constituents of his who are having trouble hanging on to their homes. The same applies to them. They want to own their homes. They want to have pride in themselves. They want to be part of the country and to be productive, yet this government prevents that by some of the crazy things it does. I think the only election promise hon. members opposite could have fulfilled would have been a promise to do everything possible to throw a monkey wrench into the operation of the country in order to screw up the economy. That is the promise hon. members opposite are fulfilling. In fact, if they had promised that, I do not think they could be doing as good a job as they are doing, as evidenced by what we heard in the budget the other night.

● (2110)

There are many more items to talk about in the budget. We heard on budget night that there would be some assistance to farmers through the Farm Credit Corporation. An additional $45 million will be made available to assist farmers in meeting interest costs when they have financial problems. That is a

laughable amount. I want to put it in context so that it can be understood. On average, it amounts to about $160 per farmer right across the country. When you look at the average amount of interest now being paid by farmers, the average farmer pays $7,000, that is right across the country. I get that figure by dividing the total amount of interest being paid across the country by the number of farmers. Admittedly it is a crude way of arriving at it, but it does make the point that the amount of assistance available in the budget to farmers is minimal.

What could have been done to provide some immediate cash flow to grain farmers would have been to raise the cash advances paid to them. Something could have been done with our transportation system so that people would have the chance to earn money rather than borrow more. This government fails to see that in order to attack inflation it must do something besides raising interest rates. If it had any business sense it would know that one of the best ways to attack inflation is to encourage production.

I am a relatively new member of this House. I came here as a result of my constituents favouring me with the majority of votes in 1979, approximately two and a half years ago. In some ways I feel sad. It is not an act of pride to get up in a budget debate and condemn the government that brought down a budget which was not as the Minister of National Revenue said it was. That carries a certain amount of sadness because this is a great country. It has a tremendous potential. Those of us elected to this House have a chance to meet people from different areas of the country. We travel more than we would normally travel in private life.

It is a shame we cannot do a better job of realizing this country's potential. One reason seems to be that we are always fighting each other. I do not think there has been a time in history when we have been so much at war with each other. It is unprecedented that the provinces are taking the federal government to court over the Constitution. Just recently the provinces took the federal government to court over cutbacks in rail service.

Surely the federal government can show some leadership and iron out some of these problems in order that we can again have good will in this country. We should go to work realizing the potential that we have in this country. That is the sad part about this budget.

The Minister of National Revenue could not have looked at the budget papers. I use him as an example in order to try to make the point that we should be straightforward with each other and describe the situation as it is. Over the next five fiscal years, my province will lose $219.4 million in transfer payments. That is on page 55 of the Fiscal Arrangements in the Eighties, part of the budget documents.

The Minister of National Revenue said that would not happen, that there would not be any reductions in transfer payments. Either he has not read the figures or he does not understand them. I find it inexcusable that a minister of the Crown would get up and say that no province is going to lose. I will be happy to have the minister check the record tomorrow.

The minister mentioned that Newfoundland would gain. A minus to me means less. There are five columns, each with a minus. If you total them, it amounts to $219 million over the next five years that Manitoba will lose in transfer payments. Surely there should be a better way to work out things rather than always arguing with each other. That is what makes me sad at having to get up and speak in this budget debate.

I would have liked to make some points in my speech saying that we are very happy with the budget, we can look forward to better times, we have some potential, we have more natural resources per capita than any country in the world, our resources are in demand around the world, we are fixing up our transportation system to take advantage of that, and our native people are happy because they do not feel they have been shortchanged in the bill of rights in the Constitution. However, we cannot say those things, and that makes me sad. This budget will make the whole country the poorer for it.

I hope that those who speak subsequently in this budget debate will take some of these matters into consideration and try to be constructive so that we can realize some of the potential this country has in order that everybody can partake in the wealth that Canadians have from coast to coast.

• (2120)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in the course of this debate, I should like to express my views on the budget. Like the vast majority of Canadians, my constituents in the riding of Richmond-Wolfe which I represent in this House are also affected by inflation, unemployment and high interest rates. In my riding, which is semi-agricultural, the economy is highly dependent on agriculture, the asbestos, paper and footwear industries and, of course, on small and medium-sized businesses. In addition to the extremely difficult economic situation which has an impact on the daily lives of my constituents, there are two major problems facing two of the larger communities in my riding: the asbestos industry in Asbestos and the footwear industry in Richmond.

I must say a few words on these two subjects, but before elaborating any further, I should like to put before the House, with your permission, Mr. Speaker, some pertinent data on the subject. First of all, the asbestos market is going through a very difficult period. There are two reasons for the slowdown in this industry, one of which is that the construction industry is stagnating in most asbestos-importing countries. A direct consequence is a substantial drop in orders for producers. Furthermore, the asbestos market is suffering the damaging effects of the very poor reputation this natural resource has acquired. In this respect, the federal government has taken the excellent initiative of organizing a world conference for the purpose of clarifying this issue so that, hopefully, we will once again be able to use this mineral to its full extent, for the greater good of the industry, its workers and the Canadian

economy. Until then, I am asking the government to act quickly in order to provide, and provide quickly, concrete assistance to hundreds of workers who have lost their jobs.

There is in fact an excellent program that was announced in this government's previous budget, which provided for a $350 million fund to provide relief to workers who were suddenly without jobs. Asbestos and the workers in the asbestos industry want our attention and above all, they want financial aid. The provincial governement's attitude to workers in this sector has been passive and indifferent. It has spent or will spend more than $100 million during the next few months without creating a single job. I say, with due respect, that our government can and should intervene on behalf of these workers through the fund I just mentioned. The Canadian government should also pursue and intensify its efforts to develop markets for asbestos, an industry that provides very well-paid jobs. Although asbestos is of prime importance to the economy of my riding, since it provides jobs that are much sought after, obviously because of the wages offered workers in the mining industry, another activity sector in my riding that is just as important is the footwear industry.

I agree that the wages are somewhat lower than in the asbestos industry. Nevertheless, this is basically an essential industry. The footwear industry now needs very specific measures to safeguard its market. We have to look ahead and develop a good quota formula. The wish to replace the footwear industry by high technology industries offering higher salaries is certainly worth while, but this could have disastrous results for several constituencies, including my own.

Indeed, the footwear industry is very decentralized and has plants in over 60 constituencies in Canada. Is it realistic to hope for any industry to settle in as many constituencies as that? The reason is very simple; investors usually look for densely populated centres in which to invest. I therefore believe it essential to regulate imports so as to allow manufacturers to produce according to their capacity, which will create thousands of new jobs.

At the present time, this manufacturing sector provides employment for nearly 20,000 Canadian workers divided equally between Ontario and Quebec. Until quite recently, these workers met about 43 per cent of the Canadian demand, while the various companies have the capacity to meet over 60 per cent of the demand. What is extremely interesting is that if the industry were to produce at full capacity, this would automatically result in the creation of thousands of new jobs.

In December 1980, the government renewed the quotas for a year. Presuming that the quotas would be abolished very soon, the importers glutted the Canadian market with imports, taking a large share of the market away from Canadian manufacturers to such an extent that their share is now estimated at 37 per cent and lay-offs now exceed 3,000. In these circumstances, it is a matter of extreme urgency to take aggressive action to protect adequately the Canadian market for the benefit of Canadian footwear producers, and this in the best interests of manufacturers, workers and consumers. A lack of protection for this major manufacturing sector of the Canadian economy would eventually result in the loss of thousands of jobs and the complete disappearance of this sector. And finally, which is also very important, the consumer would be at the mercy of importers.

After these few comments about the two major concerns of my constituency and of hundreds, and even thousands of my constituents, I would like to deal specifically with this budget, which affects and will continue to affect all Canadians including all my constituents. In the weeks preceding the budget speech, the opposition was clamouring for it, probably being convinced that the budget would be in its favour and would enable it to improve its increasingly dull image. The opposition then believed that the budget would reduce the purchasing power of Canadians which had already been eroded by inflation. It perhaps imagined that the government was trapped. In other words, the opposition believed that it would capitalize on the budget. Finally, the Progressive Conservatives saw the budget as a means of scoring a few points with the Canadian voters. But the budget contains nothing of the kind, quite the opposite! The Minister of Finance (Mr. MacEachen) understood that it was essential to help the Canadian people who are hard hit by the ill of the century, namely inflation. He certainly could have increased taxes significantly on the one hand and redistributed revenues on the other by creating all sorts of programs. But he did not fall into that trap. On the contrary, he preferred to show confidence in Canadians by reducing significantly the tax burden for 5.8 million taxpayers with a taxable income over $11,120.

Mr. Speaker, who are the true victims of inflation? Which Canadian men and women suffer most from inflation? They are the low wage earners, the middle class, the Canadian men and women who work in mines, in the footwear, the textile, the clothing or the paper industry and agriculture. The great majority of these taxpayers have no way of protecting themselves against inflation even though some collective agreements contain provisions to that effect. These same taxpayers are not able to claim the equivalent of the loss in their purchasing power. They have to hear it without any kind of protection by depriving themselves of things which for a number of them are simply essential. Think of those who sign a two-year collective agreement without a COLA clause. There are many such people in Canada, especially in my constituency, and their reduced tax burden will allow them to cope better with those distressing economic circumstances.

This Liberal government has realized how important it is to set forth clearly and permanently the meaning of two significant concepts: equity and justice. Thus, the budget gives a real meaning to those two important concepts, as evidenced in several sections. I remember rather well the last Progressive Conservative budget. I agree that some aspects of that budget could have seemed rather generous. On the other hand, the

reality was very harsh for most of the electorate. The majority had to bear the cost of programs set up for a small minority. The transparency and equity of the budget brought down by the the Minister of Finance (Mr. MacEachen) was rather obvious the day following the budget, and in that connection I should like to quote a few headlines in the main French dailies on November 13.

• (2130)

Le Droit: Two targets of budget:

The rich and the provinces will pay

—MacEachen's budget: For 12 million taxpayers, $210 less on average.

Le Devoir: Modest aid to home owners—

MacEachen removes fiscal loopholes.

Business will pay 25 per cent more to treasury.

Journal de Montréal:

—$350 million for home owners

—No tax increases for most taxpayers

—Tax cuts for small and average wage earners

—How the rich get caught

—Ottawa at war with tax evaders.

La Presse:

—MacEachen's budget: Ottawa will make the wealthy and the provinces pay

—End of tax havens

Thus, most Canadians will enjoy quite substantial and significant tax cuts, while the rich and wealthy will he hit by tax increases. Inflation contributes in many cases to make the rich richer and to impoverish dramatically not only small wage earners but also the middle class.

That vast majority of electors who are becoming increasingly vulnerable to hight interest rates and inflation had to be taken into consideration. The fiscal renewal, or Canadian taxation reform, shall in the next few years restore the balance required to allow people to cope with the dramatic effects of inflation, those Canadians who, in many cases, were the favourite targets of the taxers because of their numbers. They can now reckon with that fairness and equity in the way the tax load is distributed.

Some hon. Members: How true! Hear, hear!

Mr. Tardif: Those tax cuts will doubtless be especially welcome to Canadians in Quebec who, in recent months, have been riddled with a lot of indirect or camouflaged taxes, in many cases, hypocritical taxes: I mean, amongst others, the increase in hydro rates, automobile registration costs insurance premiums and various other administrative costs. Contrary to the principle of equity on which this budget is based, Quebecers who already carry the heaviest tax load in Canada, also have to face shocking cost increases in various forms, and that whether or not they can afford to pay.

In my humble opinion, that is the aspect of the budget which is the most outstanding. All the more so that the budget is brought in at a time when the majority of experts agree on the need to reduce the areas of government spending which have direct effects on inflation. Those same economic experts give as much weight to the need to reduce government debts. The November 12 budget clearly meets the need for restraint. The government, on the one hand, will cut its spending from 20.6 per cent of the gross national product in 1981-82, to 19.2 per cent in 1985-86 while, on the other hand, reducing the federal deficit to a considerable extent during the 1982-83 fiscal year. In fact, under the budget, financial needs which represent 3 per cent of the GNP this year, will decrease to 1.7 per cent in 1982-83 and to 1.2 per cent in 1985-1986. In other words, the deficit forecast for 1980-81 was $12.2 billion. In fact, it amounted to $10.1 billion, that is, $2 billion less than expected.

Mr. Parizeau, in Quebec, should perhaps follow the example of the Minister of Finance or seek his advice. For next year, 1981-82, the deficit forecast of a year ago, which was $11 billion, should in fact amount to something like $9.8 billion. Within a few years, if Mr. Parizeau remains Minister of Finance for Quebec, the deficit of the province may very well exceed that of the central government. Of course, such a determination to reduce government spending to that extent, for the good of all, naturally has an impact.

Of course, I should have liked to see more money allocated to new housing starts. I should have appreciated a more generous financial assistance to Canadians who now or in the near future must renew their mortgage. On the other hand, I am fully aware that such measures would have considerably impeded the fight against inflation. In my opinion, Mr. Speaker, that is the gist of this debate in the House. Should we spend billions of dollars to set up new programs? Should we increase considerably government spending? Should we increase the deficit? Should we increase the tax burden of Canadians to finance part of these expenses? An affirmative reply to these questions would mean a still more dramatic inflation in the near future. The Canadian dollar would take a dive and interest rates would rise and not fall. As a direct result of this policy which appears to be the only one sought after by the Progressive Conservative Party and the New Democratic Party, the average voter at whom the new budget is aimed, would be literally choked, would become extremely vulnerable and sooner or later absolutely incapable to meet his most basic obligations. On the other hand, a negative reply to these questions is to demonstrate responsibility and maturity, because we have reasons to believe that the rate of inflation will decline very shortly, which means that Canadians will

benefit fully from their labour. Hon. members of the Progressive Conservative Party are probably eager to see their housing policy reactivated, together with a program costing several hundred millions, if not billions of dollars to help Canadian home owners who must renew their mortgages. What would they pay these costs with? With western oil? Of course not, since the previous Progressive Conservative administration had sought a lot less than the current Liberal government in the sharing of oil revenues.

An hon. Member: The friends of the companies!

Mr. Tardif: The reply to this question is quite simple. They would have forced the Canadian men and women who will be entitled to tax reductions instead of tax increases under this budget, to pay these costs. Obviously they would want the several millions of Canadian taxpayers who are already in dire straits, to foot the bill, made probably heavier by a higher rate of inflation. This kind of reasoning is an insult to common sense.

As to the New Democratic Party's reaction, I think that it can be described as shameful if not scandalous demagogy. Hon. members of that political formation are truly irresponsible when they deal with financial issues. The fact that nearly 12 million Canadians will benefit from an average reduction of $210 in 1982 will have extremely positive effects on the Canadian economy. This loss in revenues which will exceed $3 billion in 1982 will be offset by tax increases which the government will impose on 795,000 people, corporations included of course. Who are these 795,000 people, Mr. Speaker? They are taxpayers who contribute to a very large extent to the Canadian economy, who very often invest money and head corporations. Usually they are also the ones who create jobs. They have a prime responsibility to discharge on Canada's economic scene. Should this be a reason to alleviate their tax burden, as the Progressive Conservatives would have it? In my view, Mr. Speaker, we should grant them incentives to invest in job-creating industries. We should even enter into partnership with them. We should even supply these job makers with a favourable climate, valuable indications, because otherwise they will lose confidence in the future of Canadian business, and will probably invest where guarantees for success are greater. Although they are part and parcel of Canada's economic future, I believe that in periods of difficulty as the one we are now going through, in this inflationary context that affects the global economy, I believe the haves must assume obligations, responsibilities commensurate with their ability to pay.

Of course they are affected by inflation, but, on the other hand, contrary to most Canadians, they do not support the dire and dramatic consequences of inflation. The MacEachen budget was aimed at restoring a balance that seems to me most fair and equitable in the circumstances. The need for such a balance seems to me all the more obvious that those big interests are faced with a number of opportunities for extending their involvement in the development of our Canadian economy. Indeed, the loopholes that have been plugged were a lot more profitable to the individuals than they were to the Canadian economy. The cost of the estimated tax reductions, to the tune of $3 billion, will be offset partly by increases to be borne by those in the higher income brackets, and partly by additional revenues resulting from recent agreements with the oil producing provinces. Together, these added revenues more than compensate for the $3 billion loss. Therefore, the government may reduce its deficit while helping Canadians beset by problems of inflation and interest rates.

The inflation and high interest rate problem is particularly acute in the case of small businesses, farmers and home owners who must renew their mortgage. The budget answer to that serious problem is the inflation fighting strategy of deficit reduction. However, specific help has been provided to help those groups most in need. The budget includes an envelope of $400 million, $50 million of which will be used to subsidize loans to farmers, the remainder, or $350 million, will help home owners who cannot bear the high mortgage costs and will also be used as an incentive for home building. Also, home owners will be able to obtain a government guarantee for their loans with lending institutions.

With regard to small and medium-sized businesses, which are the major job creators in this country, the budget provides for a one-year extension of the Small Business Development Bond program. The program will also be extended to include not only corporations but also small unincorporated businesses and farmers. Also, loans will be granted only to businesses experiencing financial difficulties. With this much appreciated and sought after program, the cost of financing for those who will take advantage of the program will drop six to eight points. My first reaction to these measures was somewhat mixed as I thought the amounts were not enough to encourage the construction of new housing units. But upon reflection, I realized that because of the government's determination to lower the deficit, combined with an anti-inflation strategy, the upward pressure on the interest rates would somewhat be eased.

To manage, Mr. Speaker, is to plan and to make choices. I for one go along with the decision to fight inflation and higher interest rates rather than to support measures that could worsen an already bad situation.

Before concluding, I would be remiss if I did not say how satisfied I am with the budget of the Minister of Finance with respect to the provisions aimed at helping farmers. Unlike many people who would do away with any form of agricultural assistance, I maintain and will always maintain that we must continue, as we have always done, to give our support to Canadian agriculture, one of the most productive in the world. In conclusion, Mr. Speaker, I would suggest that the Progressive Conservatives and the New Democratic Party would probably have preferred a budget which I would describe as a

band-aid or an aspirin. On the contrary, the government, without ignoring the most underprivileged Canadians, has seen fit to come to grips with the real basic causes of the destructive aliment which is inflation. The budget is an outstanding example of the will of the government to put up a strong fight against inflation, the major impediment to the sustained and constant improvement and development of growth, employment and the standard of living.

By drastically reducing its deficit and cash requirements through higher revenues and stricter controls over spending, the government reinforces and consolidates its determination to fight inflation. The direct aftermath of that policy will be to contribute as well to lower the interest rates for the greatest benefit of all Canadians.

• (2140)

[*English*]

Mr. Hees: Mr. Speaker, may I call it 9.45 p.m.

The Acting Speaker (Mr. Blaker): The Chair will recognize the hon. member for Northumberland (Mr. Hees) and thank him for calling it 9.45 p.m.

It being 9.45 p.m. it is my duty pursuant to Standing Order 60(6) to interrupt debate and put forthwith every question necessary to dispose of the subamendment and amendment now before the House.

The question is on the amendment to the amendment (Mr. Rae). Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): Those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some hon. Members: Nay!

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

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the amendment to the amendment (Mr. Rae) which was negatived on the following division:

(Division No. 123)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crouse
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jewett (Miss)
Kempling
King
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McDermid
McGrath
McKenzie
McKinnon
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Wright
Young—112.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Laniel
Lapierre
Lapointe (Charlevoix)

Messrs.

Lapointe (Beauce)	McRae	Robinson (Etobicoke-Lakeshore)
LeBlanc	Munro (Hamilton East)	Rompkey
Leduc	Nicholson (Miss)	Rooney
Lefebvre	Olivier	Rossi
Loiselle	Ostiguy	Roy
Lonsdale	Ouellet	Savard
Lumley	Parent	Schroder
MacBain	Pelletier	Simmons
MacEachen	Penner	Smith
MacGuigan	Pepin	Tardif
Mackasey	Peterson	Tessier
MacLaren	Pinard	Tobin
MacLellan	Portelance	Tousignant
Malépart	Prud'homme	Trudeau
Maltais	Regan	Turner
Marceau	Reid (Kenora-Rainy River)	Veillette
Massé	Roberts	Watson
Masters		Weatherhead
McCauley		Whelan
		Yanakis—144.

● (2215)

[*Translation*]

Madam Speaker: I declare the amendment to the amendment lost.

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

At 10.19 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 17, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

PROVISIONS AFFECTING FARMERS' RETIREMENT SAVINGS PLANS—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under Standing Order 43. The November 12 budget of the government has been a direct attack against farmers in the area of capital gains tax, annuities, and retirement savings plans, bringing to an end for many the only retirement plan they have. I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That this House call on the government to reverse this action with regard to farmers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

CALL FOR INTRODUCTION OF INCENTIVES—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise under the provisions of Standing Order 43. Massey-Ferguson has now essentially closed down its Canadian operation, stating interest rates and the sliding economy as the cause. Surely the government can read the signs. If drastic steps are not taken immediately, and I do not mean a pittance like in the so-called budget, many more agricultural related industries are going to follow Massey-Ferguson. In fact, agriculture itself as we know it in Canada could well be at an end. I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this government immediately take steps to force a massive drop in interest rates and offer agriculture some incentives before it is too late for agriculture-related industry, its workers, and agriculture itself.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

CALL FOR MINISTER'S RESIGNATION—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, whereas the Minister of Finance (Mr. MacEachen) has presented a budget which calls for an increase of 22 per cent in government expenditures while at the same time doing absolutely nothing for the poor, the pensioners, and does next to nothing to alleviate the desperate situation facing home owners, small businesses and farmers, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House condemns the Minister of Finance for holding out false hopes to Canadians as they waited for the budget to be presented, and that because of the little impact the budget will have in alleviating the serious problems facing farmers, home owners, small businesses and pensioners, that the Minister of Finance do now resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

TAX EXEMPTIONS FOR NORTHERN RESIDENTS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, since the Minister of Finance (Mr. MacEachen) stated in his budget speech that "I am extending for another year the special tax remission to employees working in the north and isolated posts," and since once again the minister in his speech did not give a full accounting of the truth, in that any collective agreement signed after November 13, 1981, will not be allowed to grant tax-exempt benefits for northern residents in the coming year, and all tax arrangements after January 1, 1983, are cancelled, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House condemn the government for removing tax-exempt benefits for northern residents without providing an alternative, and that this House notes the addition to parliamentary language of the term "a MacEachenism", meaning a half-truth, a statement which has the effect of leaving a false impression, and notes further that this budget literally sparkles with such "MacEachenisms".

Some hon. Members: Hear, hear!

S.O. 43

Mr. MacEachen: Madam Speaker, I rise on a question of privilege.

Madam Speaker: Order, please. I cannot hear what the minister is saying.

Mr. MacEachen: Madam Speaker, I am rising on a question of privilege to state that the hon. member is making a false statement. The full details were laid out in the budget documents tabled in the House at the time of the budget. You are not going to get away with half-truths, "Boy-Bob".

Madam Speaker: Order, please. The minister may raise a question of privilege, but not at this time.

Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

SMALL BUSINESS DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the budget the Minister of Finance (Mr. MacEachen) gutted the Small Business Development Bond. Growing small business offers to Canadians more opportunity for employment than any other economic activity in our country. By allowing small business to borrow on a preferred basis for new capital equipment, we create jobs and stimulate productivity. I therefore move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the Minister of State for Small Businesses take his responsibility seriously, negotiate with the Minister of Finance, and reinstate at least for a one-year period the Small Business Development Bond.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

CALL FOR PROGRAM TO ASSIST FARMERS FACING BANKRUPTCY—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, figures released yesterday show a 25 per cent increase in farm bankruptcies in the ten-month period beginning January, 1981, over the same period one year ago. The measures taken by the government to extend the Small Business Development Bond to assist unincorporated farmers in financial distress, and the addition of $50 million to the lending capital of the Farm Credit Corporation, again to assist farmers in financial distress, will at best help approximately 250 farmers across the country. Whereas there are over 5,000 farmers across the country on the verge of bankruptcy who need assistance now, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the Minister of Finance be directed to implement immediately a program to assist those estimated 5,000 farmers across the country who are on the verge of bankruptcy or forced sale.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

THE BUDGET

PROVISION AFFECTING TAX DEDUCTION FOR NON-RESIDENT DEPENDANTS—MOTION UNDER S.O. 43

Mr. Dan Heap (Spadina): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the Minister of Finance (Mr. MacEachen) announced on November 12 in his new budget that taxpayers will no longer be permitted to claim any deductions in respect of their non-resident dependants other than their spouse and children; whereas Canada continues to bring in immigrants and migrant workers to do the hardest and lowest paid work, knowing that many do this in order to assist their parents, brothers, sisters and other needy dependants back home; whereas the minister's proposed law, therefore, discriminates against workers in Canada with dependent relatives overseas and mocks our claim to be a multicultural society; and whereas the minister's accusation of fraud would be more justly directed at high-income-tax-evaders, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House direct the minister to delete the clause that prohibits tax deductions for non-resident dependants other than spouse or children.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

REVIEW OF IMPLEMENTATION OF JAMES BAY AGREEMENT—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, early last spring the Minister of Indian Affairs and Northern Development (Mr. Munro) undertook a joint review with the Minister of Justice and Attorney General (Mr. Chrétien) to determine whether the spirit and intent of the James Bay Agreement had been breached. In view of the fact that this

review is now many months overdue, and because of the great implications that it will have for all future land claims settlements. I move, seconded by the hon. member for Athabasca (Mr. Shields):

That the Minister of Indian Affairs and Northern Development act immediately to table the joint review of the implementation of the James Bay Agreement, and make a special reference to the Standing Committee of Indian Affairs and Northern Development to study the report.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

CONDEMNATION OF GOVERNMENT'S BUDGETARY POLICY—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I also rise under the provisions of Standing Order 43. In view of the government's failure in last week's budget to relieve the financial crisis that most of Canada's senior citizens find themselves in as a result of inadequate retirement income policies, even after the much hyped National Pensions Conference held earlier this year, and in the absence of the hon. member for Winnipeg North Centre (Mr. Knowles), I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House condemn the government for ignoring the needs of senior citizens in last week's budget and for not raising retirement incomes to a level beyond poverty levels.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INFORMATION CONTAINED IN ADVERTISEMENT ISSUED BY CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is directed to the Minister of Finance. I shall refer to a newspaper advertisement headed "Attention Home Owners" placed by Canada Mortgage and Housing Corporation, over the name of the minister of housing. It provided details of the budget's housing interest and grant provisions, sent out the day before the budget to a number of newspapers by Vickers and Benson of Montreal. By admission of this agency to my office

by telephone a few moments ago they stated that they were desperately trying to cancel the ad a day later by telegrams, after it had arrived camera-ready for printing at newspaper offices, and it actually had already been published in some papers by Friday noon, one of which I have here.

This is an obvious leak of budget material. Would the minister explain this sordid situation to the House of Commons?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I did not place the ad. Canada Mortgage and Housing Corporation is not under my jurisdiction. If the hon. member wants me to make further inquiries, I would be glad to do so, but I cannot give him the information at the moment.

REQUEST THAT MINISTER CONDUCT INVESTIGATION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, is the Minister of Finance prepared to conduct a full investigation not only on that, but to have this referred to a parliamentary committee? If it is established that there has been a leak of the budget or of any of the provisions in the budget, is he prepared to stake his office and resign, which is the commendable and usual procedure? Is he prepared to do that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would be quite happy to make further inquiries. Maybe the hon. member would ask the minister of housing the question and the matter then could be cleared up quickly.

STATEMENTS MADE BY MINISTER RESPONSIBLE FOR CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I would like to direct my question to the minister of housing. He stated, in reply to a question in this House last Tuesday that was asked by the hon. member for Simcoe North, that:

I do not know what will be in the budget on Thursday night.

Later he added:

—as the minister reporting to this House for Canada Mortgage and Housing, I do not know of the contents of the budget affecting housing.

In view of the advertisement which I have just mentioned, will the minister of housing tell the House whether he was misleading the House last Tuesday, and did he indeed know what the provisions were? Is he so weak in cabinet that the housing program was not known to him and was simply thrust into his hands afterwards? Finally, did he play a part in what is an obvious sordid leak in the budget?

• (1415)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I learned generally of the provisions of the budget as they pertain to housing at a briefing of the cabinet by the Minister of Finance on Thursday afternoon. I learned specifically and saw the budget documents a few minutes before they

were presented by the Minister of Finance in the House. My officials worked from five o'clock in the afternoon, through the evening, and early the next morning, and produced for my inspection that document which had been worked upon. It was authorized at noon on November 13 as a result of a meeting of the communications cabinet of the Government of Canada, as I say on Friday, November 13.

TIMING OF PREPARATION OF ADVERTISEMENT

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I have a final supplementary question. I do not wish to question the minister's integrity because that is not the honourable thing to do. How can he explain, if this was not authorized until noon on November 13, that it was in the hands of *The Recorder and Times* of Brockville on the morning of November 13, and prepared by Vickers and Benson in Montreal on November 11, the day before the budget? How can he explain that?

Some hon. Members: Shame! Shame!

Mr. Cossitt: If he wishes, madam Speaker, I can give him later the name of the person in Vickers and Benson who told me this.

Madam Speaker: Order. Order. We have had the question.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be repeating my answer to say that the officials of Canada Mortgage and Housing Corporation worked on the material after I was made knowledgeable of the material on the afternoon of November 12.

Mr. Nielsen: You are caught.

Mr. Cosgrove: That material was circulated. Approval for the printing and the release of the material was not made until noon on November 13. At that time we advised people who may have had the material on November 13 whether or not it could be printed.

REQUEST FOR EXPLANATION FROM MINISTER

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is directed to the same minister. I would caution him that we are dealing with a convention which Madam Speaker identified on November 10, that is the convention whereby a minister resigns if there is a budget leak. But there is another convention which is equally important, if perhaps not more important, that is, that an hon. member resigns if he is found to be misleading the House. I put that caution to the minister, because he assured the House, as reported at page 12690 of *Hansard* on November 10, of the following:

> I do not know what will be in the budget on Thursday night.

Yet I have an advertisement which was placed in the hands of an advertising agency, Vickers and Benson, on Wednesday, November 11. It is over the authorization of the minister responsible for Canada Mortgage and Housing Corporation, and contains clear details of the housing provisions of the budget. Can the minister explain to the House how such an ad over his authority could go out without his knowledge?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be repeating myself, and I will do it once again—

Some hon. Members: Oh, oh!

Mr. Cosgrove: I was advised generally of what was in the budget at a briefing by the Minister of Finance on the day of the budget, in the afternoon. I did not know the specifics of that until later in the afternoon, some few moments before the budget was presented by the minister in the House. I had presented, as hon. members will find, advice and recommendations to the government to be prepared to advertise, to be prepared to let the public know of any relief that the minister would grant, any relief that the government would ensure through the budget process. That material was obviously prepared. A number of suggestions were made to the minister; not all of them appeared in the budget. Some of them were prepared in advance, on the option that it would be one of the ones that was adopted by the government.

• (1420)

Some hon. Members: Oh, oh!

ACQUISITION OF INFORMATION BY ADVERTISING AGENCY

Hon. James A. McGrath (St. John's East): Madam Speaker, that reply coming from even this minister boggles this House. That is stretching coincidence beyond the point of credibility. I want to ask the minister if he can tell the House how Vickers and Benson Ltd. got a copy of the precise details of the minister's housing provisions which were contained in the budget of November 12. How could Vickers and Benson Ltd. have those details on November 11 in order to get them into the hands of the press?

Second, may I ask the minister if, when he became aware of the provisions of the budget early on Thursday, he discussed them with anybody in Canada Mortgage and Housing Corporation, with anybody in Vickers and Benson Ltd., or with anybody else?

Hon. Paul J. Cosgrove (Minister of Public Works): Again, Madam Speaker, I did not now the specifics of the plan that is referred to in the ad the hon. member has before him until a very few moments before the minister read the budget in this House. Later on, and during the presentation by the minister, obviously officials at Canada Mortgage and Housing—and I would guess at this—communicated that that ad probably met the provisions of the budget, but no doubt they were checking.

Some hon. Members: Oh, oh!

Mr. Cosgrove: Further, I have indicated to the House that it was not until a meeting of the cabinet communications com-

mittee of this government at noon on the thirteenth that that ad was authorized to be put out for advertisement in the newspapers the following day.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE FOR INTERNATIONAL COMMERCE OF ROMANIA

Madam Speaker: I wish to call to the attention of the House the presence in our gallery of Mr. Alexandru Margaritescu, who is Minister of State for International Trade of Romania.

* * *

[*English*]

THE BUDGET

JOB-CREATION PROGRAMS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is adressed to the Minister of Finance. The minister knows that Canadians will face the largest number of pre-Christmas lay-offs in the history of the country since the Great Depression. He also knows from his own budget that unemployment is going to increase in 1982, 1983 and 1984. Considering that the government has decided to increase its advertising budget by some 50 per cent, up to some $100 million, why could the government not find room in its budget for a single new job-creation program?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there are within the fiscal plans proposed in the budget very substantial expenditures for job creation. The hon. member will realize that there is a Community Employment Program that will be in place this winter and will assist the unemployed. There is a sum of about $300 million available for adjustment programs in this particular winter. If he had looked at the fiscal plan itself, he would have noticed, for example, that this year the expenditures in the budget of the economic development envelope have increased by about 30 per cent. So it is not true, as the hon. member alleges, that no attention has been paid to job creation. Substantial funds will be available this winter to assist the unemployed.

* * *

THE ADMINISTRATION

COST OF LUNCHEON GIVEN FOR JOURNALISTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. I would say at the outset that the Minister of Finance knows there is a net reduction in the amount of stimulus going into the economy with this budget, not an increase. He should know that better than anyone else.

My question to the Prime Minister is on a different aspect of the government's alleged concern about the economy. I refer specifically to his urging Canadians to practice restraint. Yesterday the Minister of Finance entertained a dozen journalists, at public expense, at a luxury luncheon costing some $2,000.

● (1425)

Some hon. Members: Oh, oh!

Mr. Broadbent: Two thousand dollars for one luncheon, I say to the Prime Minister, is the same amount a pensioner would spend all year on his or her food bill.

I would like to ask the Prime Minister does he not think that this extravagance at public expense totally undermines the government's appeal for restraint. If he does agree with that, what does he plan to do about it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am happy to answer that question on behalf of the Prime Minister, first of all because I know the facts. It is obvious that the hon. member does not know the facts; but the facts, as I know them, are quite unacceptable. It is true—

Some hon. Members: You're right!

Mr. Kempling: We agree!

Mr. MacEachen: It is true that yesterday I hosted a luncheon for a number of my colleagues and for a number of journalists.

Some hon. Members: Why?

Mr. MacEachen: I want to give the facts to the hon. member. Unfortunately, I did not select the menu, nor the site.

An hon. Member: Who did?

Mr. MacEachen: I do admit that I am highly embarrassed about the situation as it was much too lavish. When I returned to my office directly after the meal, I issued instructions that the bill be sent to me, because in no way would I ask the taxpayers to foot the bill for a lavish occasion which I had not anticipated.

Some hon. Members: Hear, hear!

REQUEST FOR MINISTER'S RESIGNATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, it is obvious to everyone on this side of the House, and to the people of Canada, that the minister would not be paying that bill if he had not been caught.

Some hon. Members: Hear, hear!

Mr. Broadbent: If the government is now going to pay for that luncheon which he should never have had in the first place, to be consistent with this new-found morality in the Liberal Party, will it now pick up the $30,000 tab, the cost to the taxpayers to fly three ministers by jet to Winnipeg?

Some hon. Members: Hear, hear!

Mr. Broadbent: Will the government do that? Will the Liberal Party do that? More specifically, I would like to ask the Prime Minister, since there is nothing in the budget for the unemployed and not a cent for pensioners, and since we have a hypocritical minister who goes around doing the opposite to what he is preaching, why does the Prime Minister not show just a little integrity for once on this issue, and demand his resignation?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I just want to clear up one or two points made by the hon. member. The first is that he has used totally exaggerated cost figures for that luncheon. It was bad enough the way it was.

Mr. Andre: How much did you pay?

Mr. MacEachen: When I get the bill, I will be glad to send a copy to the hon. member with a copy of my personal cheque. However, let me tell the hon. member that there is no question of getting caught, because when I returned to my office I issued instructions immediately that the bill be sent to me. I did not have to wait for his moralizing, or reports in the press. I knew my responsibility the moment I attended that event.

Some hon. Members: Hear, hear!

* * *

THE BUDGET

PREPARATION OF CANADA MORTGAGE AND HOUSING CORPORATION ADVERTISEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the minister responsible for housing who has indicated to us the date of the authorization of this ad by a committee of cabinet. That is not the date in question. The date in question is the date on which budget information was made available to an advertising agency in advance of the publication of the budget.

● (1430)

Is the minister telling the House of Commons that he authorized CMHC, or that CMHC acted on its own, to prepare several ads setting forth various options of policy that might appear in the budget and that those several ads were set out? Is that what the minister is telling the House? If it is, will the minister tell the House of Commons how many ads were sent by Vickers and Benson on behalf of CMHC to the Brockville *Recorder and Times*.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the ads to which the Right Hon. Leader of the Opposition refers set out in very brief form the two points of the mortgage renewal plan.

Mr. Nielsen: How many ads?

Mr. Cosgrove: The first is interest deferral, and the second is a grant provision.

Mr. Nielsen: How many ads?

Mr. Cosgrove: That ad was prepared and authorized on November 13 to appear in the weekend newspapers. I thought it was important that Canadians should know what was proposed in the budget, vis-à-vis assistance to home owners across Canada.

Mr. Blenkarn: That is not correct.

Mr. Cosgrove: I say that because this House has received, and your office, Madam Speaker, has received in the last few weeks petitions containing over 10,000 signatures of Canadians. These people are inquiring about the government's position.

Mr. Nielsen: How many ads?

Mr. Cosgrove: Inasmuch as I personally had to take it upon myself to respond individually to over 11,000 of those people, by writing over 30 hours over the past week—

Mr. Nielsen: How many ads?

Mr. Cosgrove: —when the hon. member did not respond, I felt that was the only way by which we could communicate effectively and immediately to the Canadian public.

Some hon. Members: Hear, hear!

Mr. Nielsen: How many ads?

NUMBER OF ADVERTISEMENTS ISSUED TO NEWSPAPERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what the minister is now saying is, first, that he is admitting that the detail in the ad was the precise detail that occurred in the budget. If I understand him correctly, he is also suggesting that the advertisement was prepared after it was received by the Brockville *Recorder and Times*. That stretches credibility even of this minister to some degree. He did not tell us whether or not other ads were sent to that newspaper or to any other newspaper. That is the question I put. How many other ads were sent by Vickers and Benson, authorized by the minister or by CMHC, to the Brockville *Recorder and Times* or to any other newspapers? How many ads?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I do not know how many ads.

Some hon. Members: Oh, oh!

Mr. Cosgrove: Whether there were different ads sent to one of some 140 newspapers across the country on the twelfth or thirteenth of this month, the end of last week, I do not know.

An hon. Member: Squirm.

Mr. Cosgrove: But I repeat once again that the provisions of that ad were reviewed by the cabinet committee on communications on Friday the thirteenth.

Some hon. Members: Oh, oh!

Mr. Cosgrove: A number of suggestions were made regarding changes. None were made. The ad was authorized during that meeting.

RELEASE OF INFORMATION TO ADVERTISING AGENCY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we now know that the breach occurred not simply in one newspaper but, by the minister's own admission, in some 140 newspapers across the country. We do not know whether the contents of the ads were the same in all cases. The House has not yet been informed whether other budget information was released to Vickers and Benson prior to it becoming public to Canadians through the budget presentation, and consequently was a breach of budget practices.

My question is for the Minister of Finance. Who gave the precise details of the budget proposal on housing to Vickers and Benson in time for them to have the advertisement prepared on November 11? Who gave that information? If the minister cannot give me an answer today, will he give us an undertaking that he will come back with details tomorrow and tell us precisely who gave that information, at what precise time, and on whose authorization?

Mr. Nielsen: Gerry Regan.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I already indicated that I do not have the responsibility for advertising, either in that department or in any other. I have no information on the subject. I think the minister to whom questions have been addressed has been answering them very fully. I would recommend that the Right Hon. Leader of the Opposition ask him for further information.

QUERY RESPECTING DRAFTING OF ADVERTISEMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is also for the minister responsible for housing, and it is very specific. I would like to know whether or not it was Vickers and Benson who drafted the ad. Specifically, who drafted it, on whose instructions, and at what point in time prior to the release of the budget did instructions go to Vickers and Benson that this ad could be released?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be repeating myself to say that the ad was not authorized until following a meeting of the cabinet committee on communications, Friday, November 13, at approximately 12.30 p.m. After reviewing that ad with suggested changes, authorization then was given for the use of that ad in advertisements the following day, November 14.

TIMING OF RELEASE OF ADVERTISEMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is for the same minister. I point out that the ad actually appeared on the morning of November 13. When was this ad prepared and when was it authorized by the minister or by an official of CMHC to be released to Vickers and Benson?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, my information, once again, is that all of the ads for all of the papers were authorized on Friday, November 13. If the member has information that the ad was published or was released prior to that time, I would like to have the particulars of that, and I would like to have the time to look into the matter.

* * *

AGRICULTURE

GUIDELINES FOR SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Agriculture. In light of rising farm bankruptcies, an increase of 150 per cent over the last two years, and the need for funding by many farmers, including some dairy and turkey producers along with beef and pork producers, who the minister has admitted are in trouble, could he inform the House what guidelines are being put forward so that bankers and farmers can determine eligibility for the new Small Business Development Bond and that definitions, such as financial distress, can be defined and administered in practical terms?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I understand that all of the district officers from the Farm Credit Corporation are meeting in Ottawa today, tomorrow, and possibly for part of Thursday, to review the program to determine what they can do and to determine how they can work the Small Business Development Bond program with the other lending institutions that are involved. We think they can assist many of these people.

I am surprised at what the hon. member says about dairy farmers. Of the hundreds of letters that I have received, only one or two have come from dairy farmers. These letters generally come from young dairy farmers who bought farms

and borrowed money from a lending institution through a floating or demand note. They are finding themselves in great difficulty because of the high interest rates at the present time. Lending money on a floating or a demand note should not have been done in the first place. The banks should have loaned farmers the money in the form of a long-term type of mortgage. We have assisted some farmers under the present Farm Credit program with the funds that were available at that time. I would be glad to review those cases with the hon. member at any time.

ELIGIBILITY CRITERIA

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, this side of the House has no problem with the minister's analysis for the requirement for fixed interest rates. That was the point that we were trying to make in the debate on the Bank Act some time ago.

Would the minister define for the House, or commit himself to making a statement later if he does not know the answer now, what distinctions there are between those producers who are eligible for the Small Business Development Bond under the new provisions, and those who would not quite make that category but would, as is implied in the budget, be eligible for assistance under the Farm Credit Corporation additional funding? Could the minister tell us what the distinction is? Which farmers would manage to make the one cut-off, and which would be eligible for further assistance under FCC?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I met the chairman of the FCC yesterday and we are meeting again tomorrow morning. We hope to have criteria that can be outlined. If one reads the budgetary papers they fairly well explain how the Small Business Development Bond is going to work.

Some members have made statements that the small business development bond will not assist many people. Already it is assisting many people even under the proposal that some of the banking institutions made, that the government make it possible for unincorporated farmers to borrow through Small Business Development Bonds, and they were lending in the hope that the government was going to do that. The government has already come through on that proposal and there has already been over $100 million, I am told, loaned to farmers in distress. We will outline the provisions they will have to abide by before the end of the week.

* * *

● (1440)

COMMUNICATIONS

INTERNATIONAL ACCEPTANCE OF CANADIAN POSITION ON SPACING OF AM RADIO CHANNELS

Mr. Robert Daudlin (Essex-Kent): Madam Speaker, my question is directed to the Minister of Communications. Given the interest and strong representations by representatives of the Canadian Association of Broadcasters earlier this year regarding international negotiations on the ten-kilohertz spacing of AM radio channels, and given the expressed intent of the government, after consultation with the industry, to press strongly at the international level for the retention of the present ten-kilohertz spacing system, thus avoiding the dramatic effect the change to nine-kilohertz spacing would have on more than 300 Canadian broadcasters, would the minister advise this House of the state of negotiations, the stance that has been taken by Canada, and what the chances of success might be in terms of those negotiations?

Hon. Francis Fox (Minister of Communications): Madam Speaker, this is a question that has been of considerable interest to all Members of Parliament. I have perhaps received more representations from Members of Parliament on this question than on any other over the past six to ten months. The position taken by the Canadian government, in close consultation with the Canadian Association of Broadcasters, a position endorsed by members on both sides of the House, was that Canada should take the lead in trying to maintain the ten-kilohertz spacing for AM radio stations.

I am delighted to say that the advice I just received from my officials is that the international convention under way in Rio has accepted the Canadian position, and the Canadian position has been able to carry the day over the position of a number of other countries which were supporting the move to nine-kilohertz spacing, a move which would have cost the Canadian broadcasters a great deal of money.

* * *

THE BUDGET

EFFECT ON CONSTRUCTION OF RENTAL HOUSING

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance. Yesterday while the minister was hosting his luncheon featuring scallops, filet mignon and endive salad, thousands of Canadians were laid off construction sites, and thousands more will be without homes because of changes in the budget that affect deductibility of soft costs. By polling developers across the country we have identified 13,000 rental units which have been cancelled or are in limbo since the minister brought down his budget. About 8,000 of those rental units are in Vancouver where 1,200 people have been sent home from work sites.

Since the government is blowing away more than $1 billion worth of new construction in return for only $30 million of new revenue in the next four years, will the minister at least postpone the date on which the new measures take effect, from November 12 to January 1, 1982, to allow those projects which are now under construction to go ahead? There are at least 2,500 under construction or ready to break ground. Will he delay the implementation of that budget measure?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I notice that the hon.

member raised this question in the House yesterday and notice was taken of it by the Minister of State for Finance. Since that time the Solicitor General, the Minister of Public Works, the hon. member for Mississauga North and hon. member for Parkdale-High Park have also raised the same question.

I am pleased to answer her today in a positive way and say that I will be proposing in the implementing legislation that a deduction be provided for costs incurred, namely, soft costs, after November 12, 1981, relating to any building providing the installation of footings or any other base support of the building is commenced before the end of this year and that the construction of the building proceeds without delay.

In addition, with respect to interest expensing, Madam Speaker, I will be proposing that interest expenses will be fully deductible on any funds borrowed by the first purchaser of a multiple unit residential building from the builder or developer as the case may be.

I wanted to use these precise words in order to clarify the situation and to ensure that those soft costs related to projects as I have described will be covered, so the projects that have been identified by the hon. member and the members on this side of the House whom I have enumerated, will be dealt with, and proceed. I am grateful to provide that clarification.

* * *

THE BUDGET

RELEASE OF INFORMATION TO ADVERTISING AGENCY

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Secretary of State as the responsible minister and chairman of the cabinet committee on communications which apparently, according to the minister for housing, was the government vehicle used to release the budgetary information to Vickers and Benson. Will he confirm what has been suggested by his colleague, that in fact that cabinet committee did authorize the release and, more important, will he indicate who communicated the information to Vickers and Benson, precisely on what day, and as close to what time as the minister's recollection will permit was the information released to Vickers and Benson?

Hon. Gerald Regan (Secretary of State): Madam Speaker, I am unable to help my hon. friend in relation to when information was passed to Vickers and Benson because of the fact that this ad came before the cabinet committee on communications in a meeting—

An hon. Member: That's when it was in the newspapers.

Some hon. Members: Oh, oh!

An hon. Member: It was already in the papers by then.

Mr. Regan: —at a meeting during the noontime period, and this committee had no prior involvement with that ad.

ROLE PLAYED BY CABINET COMMITTEE

Hon. Bill Jarvis (Perth): If that is the case, Madam Speaker, that the cabinet committee was advised of an advertisement that had been placed even before the cabinet committee met, was there no questioning by that committee and no effort to stop the breach of secrecy regarding budgetary information? Did the committee do absolutely nothing once it had been informed that this was the ad that had been sent out to over 140 newspapers? Is that what the Secretary of State would have us believe?

Hon. Gerald Regan (Secretary of State): I appreciate the histrionics of the hon. member, Madam Speaker, but he should—

Some hon. Members: Oh, oh!

Mr. Regan: —he should well remember that many ads are placed by government that do not go through that particular committee, and if he listened carefully to my words he should also be aware of the fact that that ad came before cabinet committee for approval on Friday, which was after the budget had been delivered, and we were concerned with the question of whether the message in that ad should be quickly put forward at that point to the people.

An hon. Member: It was already out.

Some hon. Members: Oh, oh!

An hon. Member: It was in the newspapers.

Mr. Regan: In my view it was extremely important that the public have information in relation to that type of help as rapidly as possible.

An hon. Member: They already had it, even before you did.

Mr. Regan: We approved publication thereafter. I am not aware of any publication before it came to our attention.

REQUEST THAT MINISTER MAKE STATEMENT ON MOTIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should like to return now to the minister of housing and direct a question to him. I know I will be repeating myself with respect to questions that have been asked by members of our party on this matter, but I would ask him to deny categorically that the information he received in advance with respect to the budget was prematurally given to Vickers and Benson.

The minister has made reference to a number of scenarios prepared by his department. You will recall that he said there were a number of scenarios. In order to get this matter off the floor of the House will he do two things; first, will he undertake to table in this House the different scenarios that had been prepared by the department so that members and the people of Canada can compare them with what exactly appeared in the budget? Second, will he be prepared to make a statement on motions outlining the full investigation and cir-

cumstances leading to the premature release of budget information?

● (1450)

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be happy to repeat that I did not know the specifics—even the generalities of the—

Mr. Clark: Who knew?

Mr. Cosgrove: —provisions of the budget respecting housing until the minister briefed the cabinet on the afternoon of the delivery of the budget, on the twelfth. I did not know the specifics until later on, nor did Canada Mortgage and Housing Corporation, for which I report to Parliament, know the specifics that were in the budget until afterward. Any release of any information was authorized after that time. I am quite surprised that while we have comments of members opposite who complain that the relief offered was not adequate and does not answer people's needs, they now complain and say the government is not even permitted to advertise what they—

An hon. Member: Before the budget was prepared.

Mr. Cosgrove: —what they consider to be inadequate relief.

REQUEST THAT INVESTIGATION BE CONDUCTED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the point is, and the minister will understand this, that this advertisement was printed on November 13. It had to be in the hands of the printer in advance of the time the budget was brought down.

An hon. Member: The eleventh.

Mr. Hnatyshyn: I understand he will want to investigate this whole matter, but I want to know if he will in fact have an investigation carried out. It is a matter of responsibility for the Minister of Finance who has to ensure there are no leaks. It is the Minister of Finance who has to resign if there are any leaks. If the minister responsible for housing is concerned about his own skin, all I want him to do is to investigate the facts within his own department, lay them before Parliament and make a statement on motions. Will he at least do that so we can say that the minister is an honourable gentleman, rather than leave this House with another impression?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the hon. member indicated as he rose to ask the question that he would be repeating a question. I will repeat my answer. I was not aware of the provisions in the budget pertaining to housing until the Minister of Finance released it in this House, or almost simultaneous with that.

An hon. Member: You should have been.

Mr. Cosgrove: Nor was the Canada Mortgage and Housing Corporation knowledgeable as to what was in the budget, nor were they authorized to release or request publication of any advertisement that had to deal with the budget prior to that time.

* * *

[*Translation*]

EXTERNAL AFFAIRS

EL SALVADOR—ANNOUNCEMENT OF HOLDING OF GENERAL ELECTION

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, my question is directed to the Secretary of State for External Affairs.

[*English*]

In light of the recent announcement by the government of El Salvador that the election in that country has been set for March 21, will the minister tell the House the view of the Canadian government on the election process?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the announcement by the government of El Salvador of its election is a domestic decision, on which I do not believe we are entitled to comment directly.

I can tell the House that in a meeting, held at the request of the El Salvador ambassador to the United States approximately two weeks ago, I discussed the El Salvador situation fully, and also the proposed election call. I proposed to the ambassador that the El Salvador government should consider having negotiations with the rebel forces, not over the general political situation, which the government refuses to contemplate, but specifically over provisions for a free and fair election without pre-conditions on either side.

I offered the good auspices of our government to the El Salvador government to facilitate such an encounter in any way, to act as a mediator, or to provide Canadian territory or Canadian embassies in Central America as a locus for such talks.

JAMAICA—POLICE RAID ON CUSO OFFICE

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I have a similar question for the Secretary of State for External Affairs. It concerns an incident which happened in the non-government organization CUSO. CUSO is a non-government organization doing excellent work in many countries around the world. It has particularly good programs in Jamaica, reaching people at the grass roots level and involving many Jamaican nationals in its programs.

Last Thursday there was a police raid on the offices of CUSO in Jamaica, in which a CUSO member of the board was held at gun point while police went through the files of the CUSO office. At the same time the Hon. Iona Campagnolo, while not present in the office, was working in Jamaica for

CUSO fund raising. Would the minister tell this House what he and the government have done to protest this serious incident?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have received a full report on the incident. I can confirm that it took place very much as described by the hon. member. Since that incident, the Canadian High Commissioner to Jamaica has spoken with Prime Minister Seaga to express our dismay, and we are now awaiting an early report from the Jamaican government.

CONCERN FOR SAFETY OF CUSO WORKERS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I personally have grave concerns about the safety of people working in the program in Jamaica, namely, Carl McKenzie and Satish Sachdeva, two people from there. Would the minister tell us what he is prepared to ask of Prime Minister Seaga to guarantee the security of CUSO workers in Jamaica, as well as the continuation of these very excellent programs?

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): I think we will have to wait for a reply by the Jamaican government to see what the apparent reason for this raid was, and if circumstances warrant such a request we would certainly be prepared to make that request. We have no reason to believe that the safety of any CUSO workers, either Canadians or non-Canadians, is in any way in peril.

* * *

THE BUDGET

PREPARATION OF CANADA MORTGAGE AND HOUSING CORPORATION ADVERTISEMENT

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the minister responsible for housing. The minister has said that the advertisement which has been the subject of discussion in this House was not approved until after a noon cabinet committee meeting held on the thirteenth. Would the Minister tell this House when this ad was written, by whom, and on whose instructions?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I do not have those specifics available at this time.

QUERY RESPECTING MINISTER'S KNOWLEDGE OF ADVERTISEMENT DISTRIBUTION

Hon. John A. Fraser (Vancouver South): Madam Speaker, I want to ask the minister if he knew, at the cabinet meeting on the thirteenth, that the substance of this advertisement which he and others approved was already in the hands of the newspapers. I also ask if the minister will come into the House tomorrow and give exact details in answer to the question I asked previously?

Hon. Paul J. Cosgrove (Minister of Public Works): I would be repeating myself—

Some hon. Members: Oh, oh!

Mr. Cosgrove: —to indicate that at the meeting of the cabinet communications committee held on the thirteenth we reviewed the advertisement as to whether the wording was adequate and reflected the provisions of the budget, and upon deciding that it did and that it could convey the information on the mortgage renewal plan to as many Canadians as quickly as possible the next day, that ad was then authorized and I instructed an official of Canada Mortgage and Housing who was present at the meeting that the ad should go forward and they should by telephone—

An hon. Member: It was already gone.

Mr. Cosgrove: —let the newspapers know that the ad could be printed.

* * *

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER QUEBEC ANSWERED REQUEST FOR NEGOTIATIONS

Mr. Jacques Olivier (Longueuil): Madam Speaker, my question is directed to the Minister of Justice and Minister of State for Social Development, who is responsible for constitutional affairs. I do not know whether he is in the House. If he is not, my question is directed, Madam Speaker, to the Prime Minister of Canada.

Following frequent appeals made by the Minister of Justice to the PQ government of Quebec to reopen negotiations and to negotiate in good faith with a view to reaching an agreement, and also considering very specific offers made by the Prime Minister of Canada this weekend in Quebec, can the Minister of Justice tell us whether the government of Quebec has shown any willingness to negotiate or if there has not been any response as yet to his request for negotiations?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, last week I was in touch with two ministers of the Quebec government, the Minister of Justice and the Minister of Intergovernmental Affairs. I offered to meet them and discuss the proposals made by the Prime Minister on the day the agreement was signed, November 5, when he offered the government of Quebec various alternatives. The answer was that they did not want to talk to me until the resolution had been tabled in the National Assembly, and since then, no one has been in touch with me. We are still willing to talk to the government of Quebec and try to reach an agreement on the three points Mr. Lévesque could not sign on the day of the agreement, but unfortunately,

as yet no indication has been given the Canadian government that they want to negotiate.

* * *

● (1500)

[*English*]

PRIVILEGE

MR. COSSITT—INFORMATION PROVIDED IN WRITTEN ANSWER ALLEGED FALSE—RULING BY MADAM SPEAKER

Madam Speaker: The hon. member for Leeds-Grenville (Mr. Cossitt) rising on a question of privilege on Wednesday, November 4 last, brought to the attention of the House a matter concerning questions he had asked of the minister, the response he received and the subsequent report of the McDonald commission bearing on the question and answer.

In his question No. 2,332 asked of the government in 1975, there were allegations by Igor Gouzenko that he received no government pension from the time of his defection in 1946 until such pension was instituted by the government of Mr. Diefenbaker in 1962, and the government was asked why it was not provided. The reply by the then solicitor general, the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), was in part that "from 1946 to 1962 Mr. Gouzenko was looked after entirely by the Canadian government."

The relevant part of the report of the McDonald commission quotes from this reply given by the government and, after indicating that it reviewed the history of the matter carefully as it was disclosed by the RCMP files, says "it is not true that from 1946 to 1962 Mr. Gouzenko was looked after entirely by the Canadian government." Under these circumstances, the hon. member for Leeds-Grenville alleges that a contempt of the House occurred because, in the reply in 1965, the House was given false information by the government and the hon. member was therefore obstructed in his parliamentary work.

First of all, the hon. member correctly sets out that a contempt committed against one Parliament may be raised and punished in another. With respect to the alleged contempt, it is correct to say that it is a breach of privilege or a contempt of the House to present or cause to be presented to either House, or to a committee of either House, falsified or fabricated documents with intent to deceive such House or committee. That is to say, where the government as represented by one of its ministers, or by an officer of a department or of a government agency, admits that the information given to the House was deliberately false, the House may treat that as a contempt of the House. Such was the case in this House in 1978 in the matter referred to by the hon. member.

The distinction between the situation put forward by the hon. member here, however, is that while the McDonald commission is an emanation of the government, it is not an instrument of the government or government policy. Thus, an admission in the 1978 precedent by a former Commissioner of the RCMP that "very often ministers' letters were not exactly drafted on precise statements of fact" was an admission for purposes of privilege in that case.

In the present case, however, a statement by the royal commission in its report that the government's response to question No. 2,332 in 1975 was not true is not an admission for purposes of privilege. Moreover, the report itself states at pages 341 and 342:

> Our examination of the files has not disclosed that there was any sinister design that may reasonably be attached to the answer given in the House of Commons.

In other words, under the doctrine of ministerial responsibility a minister may be expected to answer to the House for acts of those of his officials; but the government is not responsible for the acts or statements of a royal commission, although the government may take some action following upon the report it receives from the royal commission. Accordingly, I cannot find a prima facie case of privilege in this presentation.

* * *

POINT OF ORDER

MR. COSSITT—REQUEST FOR REINSTATEMENT OF ORDER PAPER QUESTION—RULING BY MADAM SPEAKER

Madam Speaker: Further, on Wednesday, November 4, 1981, the hon. member for Leeds-Grenville (Mr. Cossitt) raised a point of order, this time concerning the answer to written question No. 3,236 which is recorded in *Hansard* on November 3, 1981, at page 12450.

The hon. member is aware of Citation 363 of Beauchesne's fifth edition which stipulates that a member may put a question but has no right to insist upon an answer.

Furthermore, the quality of the answer as given is not generally within the responsibility of the Speaker, who should not be asked to pass judgment on the substance of an answer to a question, be it oral or written. In this connection, I would like to quote a sentence of a ruling given by my predecessor, reference to which was made by the hon. member for Leeds-Grenville and the hon. member for Yukon (Mr. Nielsen), and which can be found in *Hansard* of June 19, 1978, at page 6528:

> —since the Chair has not procedural grounds upon which to compel an answer, it is impossible for the Chair to say that an answer given on procedural grounds is not, in fact, an answer.

Therefore, I regret I cannot find that the hon. member has a point of order.

* * *

PRIVILEGE

MR. COSSITT—ALLEGED BREACH BY MINISTER OF BUDGET SECRECY

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I filed notice, which I trust reached you, an hour or so before the House met of my intention to raise a question of privilege, if

you would afford me the opportunity, as soon as possible this afternoon.

My question of privilege will be brief. It deals with the subject which I raised during question period concerning an advertisement prepared by Vickers and Benson Ltd. of Montreal and sent out to various newspapers across Canada for publication.

I am alleging that a breach of the privileges of members has occurred here in that at least Vickers and Benson, the employees thereof, and I do not know who else, were privy to information in the budget before members of this House had that information. That is a distinct breach of the privileges of the members of the House of Commons.

The information to which I refer is contained in the advertisement sent out by Vickers and Benson headed "Attention Home Owners". I think the first sentence says it all. It says: "Check if you are eligible"—

Madam Speaker: Order, please. I think I have a good idea of what the hon. member is trying to put before the House. I remind the hon. member that privilege is not at issue in this particular question. What is at issue is the matter of secrecy of the budget, which is not to be dealt with under privilege. Budget secrecy is merely a convention which the Chair is not in a position to enforce. I suggest that unless the hon. member has something new to raise, he and other hon. members have dealt properly with the matter by asking questions during question period.

I cannot deal with this question under privilege because the matter of secrecy of the budget is a convention which is not enforceable by the Chair. If the hon. member refers to cases in Great Britain, to which he has referred previously in this House, he will recognize with me that the matters were not discussed under privilege but were discussed under other headings and dealt with in the House through questions to ministers. The Chair has no authority whatsoever to enforce a convention.

Mr. Cossitt: Madam Speaker, I will leave the subject you said is taboo and proceed to the latter point I was going to make, which I think is a question of privilege. It was said in this House by the minister responsible for housing, and I will quote from *Hansard* because it reflects on all our privileges. On November 10, 1981, the minister said:

> I do not know what will be in the budget on Thursday night.

Later he said:

> —I do not know the contents of the budget affecting housing.

It is obvious from what happened in this House today that those are false statements. They are not accurate. The minister was either misleading this House due to incompetence, or intentionally misleading this House. If it was the latter, it is a very serious matter. I think it is certainly a question of privilege for me to raise at this time, that a minister gave this House information which obviously was not correct—

Madam Speaker: Order.

Mr. Cossitt: —and therefore could have been lying to this House.

Madam Speaker: If the hon. member feels that the minister has intentionally misled this House, he has to say that in those words. The Chair cannot deal with a question in a hypothetical form. The hon. member said "if" the minister has intentionally misled this House, that is a serious matter. I would have to agree with the hon. member that it is a serious matter. We have to be sure that the hon. member is intending to say exactly that, that the minister has misled the House. I am afraid the hon. member is continuing to debate the question which I said does not come under the heading of "Privilege".

• (1510)

Mr. Cossitt: I rise on a point of order, Madam Speaker. I want to give notice, depending upon what the minister says tomorrow, that I reserve my right to move a question of privilege and to say that he has misled the House, if that is the case.

Madam Speaker: Order, please. Hon. members do not have to give notice to such things. If the hon. member feels tomorrow that he has a point to raise, then he can raise it. He does not have to give notice of his point. But if it is a question of privilege, then the hon. member knows that the usual statement and notice is required.

Hon. Erik Nielsen (Yukon): I rise to seek clarification from the Chair with respect to your ruling, Madam Speaker, on the first part of the question raised by the hon. member for Leeds-Grenville (Mr. Cossitt).

Do I understand correctly that the ruling of the Chair was, in effect, that it is not a breach of privilege of the members of this House if the government released budget information to Vickers and Benson before that information was released to members of this House, as it was, in the budget speech? Is that what the Chair is ruling?

Madam Speaker: No, I was not ruling on that point. I do not have the specifics as to whether or not something was released by the minister before the budget speech was made.

The hon. members are trying to elucidate whether there was a budget leak. I have had no such indication. I would not be the one who would judge whether there was a leak or not. I am saying that if hon. members are discussing a possible budget leak, it cannot be discussed under privilege. Budget leaks have to do with a convention which is not enforceable by the Chair.

Mr. Nielsen: That was the precise point I was seeking to clarify, may it please the Chair. It has always been my understanding of the practices of this House that when information, particularly budget information, is released prior to members of the House of Commons being informed of its contents, that in the past has constituted a very serious breach of members' privileges.

Half way through the Chair's response to my question seeking clarification, I was quite happy because you, Madam

Speaker, were not saying that you would not treat that matter as a breach of individual and collective members' privileges. However, upon hearing the Chair's closing remarks I became rather alarmed. It seems to me that the past practice of this House has long been that individual and collective members' privileges are, indeed, directly affected deleteriously by the release of budget information before that information is released to members of this House.

On that specifically focused point, I would suggest very strongly to the Chair—and certainly the Chair's ruling was not specific on the point—that we would be following past practices, proper practices, if it were to be considered a breach of individual and collective members' privileges were budget information to be released prior to its first being given to members of the House of Commons. That is the whole purpose of a lock-up.

* * *

POINTS OF ORDER

MR. McGRATH—ADVERTISEMENT PLACED BY VICKERS AND BENSON

Hon. James A. McGrath (St. John's East): I rise on the same point of order, Madam Speaker. First of all, I want to identify myself with the remarks of the hon. member for Yukon (Mr. Nielsen). Perhaps I can assist the Chair if I were to tell you, Madam Speaker, that I am prepared to lay before the House a substantive motion. My substantive motion is based on a precedent of your predecessor, the Hon. Speaker Jerome, in dealing with a matter which referred to an alleged leak of the budget by the hon. member for Kenora-Rainy River (Mr. Reid). At that time, Madam Speaker, your predecessor, Speaker Jerome, ruled that there was a prima facie case and the matter was then referred to the Standing Committee of Privileges and Elections, which dealt with the matter at that time. In other words, Madam Speaker, it was the House and not the Chair that determined whether or not there had been a breach of the privileges of this House.

My point of order is based on the information contained in an advertisement which was in the hands of the advertising agency, Vickers and Benson, on November 11, prior to the delivery of the budget in this House. That advertisement contained precise details, word for word, of the budget's references to housing. There is no question about the fact that what appears in the advertisement, which was sent to 150 newspapers across the country by the minister's own admission, is identical to the information that was given to the House by the Minister of Finance (Mr. MacEachen) in his budget of November 12. That information was in the hands of the agency on November 11; it was in the hands of the newspapers prior to that information being released to the members of this House, thereby constituting a violation of the privileges of this House.

If the Chair rules that there is a prima facie case of privilege, I am prepared to move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the subject matter of the advertisement which appeared over the authority of the minister responsible for housing and which contains information pertaining to the budget and was released prior to the budget, be referred to the Standing Committee of Privileges and Elections.

Some hon. Members: Hear, hear!

Madam Speaker: Hon. members are arguing a matter about which they tried to seek more clarification during question period. I am not in a position to determine whether there has been a leak of budgetary secrets. If there had been a leak of budgetary secrets, and if that was clearly established, then I do not feel it falls under the heading of privilege. I will not repeat to the House what is the definition of privilege because I have done that often enough. As I listened to the arguments of the hon. member, I do not find there is a prima facie case of privilege. I remind hon. members that if they want to deal with the fact that there was a leak of budgetary secrets, then they would have to deal with it in another way, but not under the heading of privilege.

An hon. Member: What about the precedent?

Mr. McGrath: I am not permitted to question the Chair's ruling in any way and I do not attempt to do that. However, I seek clarification, Madam Speaker. I am faced with the precedent of your distinguished predecessor, because I was involved in the matter concerning the alleged leak by the hon. member for Kenora-Rainy River. In fact, this matter was referred to committee under privilege. Perhaps the Chair could tell me what new avenue I now have open to me in order that I may bring this matter before this House or a committee of this House to determine whether or not there has been a violation of the privileges of the House. All I am asking the Chair to determine is whether or not there is a prima facie case. On the basis of the advertisement I submit to the Chair that there is a prima facie case. If the Chair agrees, then it is up to the House or a committee of the House to determine whether, in fact, the privileges of the House have been violated.

● (1520)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there are a number of factors here that should be pointed out. First of all, you have made a ruling where you expressed the opinion quite clearly and simply, that when we refer to secrecy of the budget, it is not a matter of privilege but a political convention over which you have no authority. That should be quite clear, even to those who are shouting on the Conservative side. In addition, Madam Speaker, the member for St. John's East (Mr. McGrath) referred to the case of the member for Kenora-Rainy River (Mr. Reid). I should like to remind you, if I may, that the facts are not the same. In the case of the member for Kenora-Rainy River, an article was published in *The Gazette* alleging or insinuating

that the member was guilty of breaching the secrecy of the budget. In that case, a motion was presented by the member in question, which is not the case here. The member for Kenora-Rainy River himself said, "My privileges as a member were abused because of a false report published in a newspaper, and I, as the victim of this report, move that the question be considered by the Committee of Privileges and Elections," and that is what happened, with the consequences of which the House is aware.

Now, Madam Speaker, if I may be allowed, since my colleagues on the opposite side seem to be far more interested in indulging in petty politics than in actually referring to parliamentary practice or conventions, the convention which forms the basis of any debate on a breach of budget secrecy is that a member who wants to make a formal charge should rise and charge the person in question, thereby risking his seat. That is the political convention that has always governed the matter of budget secrecy in the House, and it is this type of convention that the members opposite should have the courage to follow if they truly have reason to believe that a parliamentarian has breached the secrecy of the budget.

Madam Speaker, obviously, they lack that fortitude and moreover the facts, namely, the answers given here in the House, clearly show that there has been absolutely no impropriety on the part of parliamentarians.

So what do they want to do? These are innuendoes, but they are not supported by any valid precedents because there are none. I challenge any member, those to my left who were shouting just now—the member for Calgary Centre (Mr. Andre) who was shouting as well—I challenge any one of them to dare rise and make a formal charge, therefore putting his seat in the House in jeopardy and to quote a single precedent justifying a motion for referral to the Committee of Privileges and Elections, on the basis of a breach of budget secrecy.

I repeat, the case of the member for Kenora-Rainy River does not apply to this situation, because he was the victim, he presented the motion himself and his personal privilege was involved. In any case, I do not think there is a single Progressive Conservative member here in the House today who has enough guts—they shout a lot, they hurl abuse, even those who are not in their seats, but there is not a single member who has the courage to rise, to observe the parliamentary or political convention, and say: I accuse a parliamentarian of breaching the secrecy of the budget and I am prepared to stake my seat on it.

Madam Speaker, the House is waiting for a demonstration of bravery. I ask any Progressive Conservative member to be bold enough to rise, to make that formal charge. If the Progressive Conservatives refrain from doing so we shall draw our own conclusions.

Point of Order—Mr. McGrath

[*English*]

Madam Speaker: That is really the way to deal with this matter. I want to reply to the hon. member for St. John's East (Mr. McGrath), who has offered a precedent in order to enlighten the Chair as to the manner in which this matter should be dealt with. I believe the hon. member referred to the precedent of the hon. member for Kenora-Rainy River (Mr. Reid). As the minister just said, the precedent was not exactly the kind of situation which was described today. The hon. member for Kenora-Rainy River himself brought up as a question of privilege an interpretation of some of his actions which had been described in a newspaper. I believe it was dealt with in a committee, the hon. member wanting to have his reputation cleared.

The hon. member asked me what recourse he has if he cannot deal with this matter through a question of privilege. I think he knows the recourse he has. If he feels that there has been a breach of budget secrecy and that he can substantiate this breach with the proper facts, he knows that he can put a substantive motion to the House with a 48-hour notice. That is the proper procedure in order to deal with such a matter.

Mr. McGrath: Madam Speaker, are you saying that the motion I have put forward, which I now have in writing, is out of order? If so, I want to say with great respect that I reserve the right to check the precedents in detail on this matter and to raise it again at the first opportunity.

Mr. Pinard: You are free to do what you want, but there has been a ruling.

Madam Speaker: The hon. member may do that. I cannot receive the hon. member's motion because I did not find a prima facie case of privilege. I refer the hon. member to two precedents in Great Britain, one in 1947 with Mr. Dalton and one in 1936 with Mr. Thomas. These two precedents show quite clearly that the matter was dealt with in another manner and not under privilege. The Speaker did not give priority to this discussion by finding privilege. The discussion may take place, but not under the heading of privilege, where priority is given to a certain matter because the Speaker, for reasons which have been given to her by hon. members, finds that there is a prima facie case.

The hon. member may reserve his right to come back on this question or to look at the precedents to enlighten himself as well as the Chair. But for the time being, on the basis of what I have heard today, I am afraid I cannot hear this matter discussed under the heading of privilege.

Hon. Erik Nielsen (Yukon): Madam Speaker, there is one further recourse which perhaps missed your attention. It is closely allied with the course followed by the hon. member for Kenora-Rainy River (Mr. Reid). After today's questions and answers appear in tomorrow's written media, that will give the opportunity to the Minister of Public Works (Mr. Cosgrove), the minister responsible for housing, to follow the same honourable course tomorrow which the hon. member for Kenora-Rainy River followed on that occasion.

Point of Order—Mr. McGrath

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise on the same subject. I wonder whether you could clarify the nature of your ruling. If it can be established that the minister made a statement to the House to the effect that he did not know the contents of the budget, and subsequent to that there arises a series of events which give rise to the possible inference—not in any sense a personal accusation—that the minister or someone on his staff must have known the contents of the budget in order to place the advertisement in question, I would ask whether this in itself does not raise a matter which should be referred to the Standing Committee on Privileges and Elections, since there is a clear contradiction which could lead to the conclusion that something was amiss with respect to what the House was told, even though it was told inadvertently.

In regard to this matter, I refer Madam Speaker to the question raised by the hon. member for Durham-Northumberland (Mr. Lawrence) some time ago wherein Mr. Speaker Jerome made a ruling with respect to a minister unintentionally having said something on the basis of information and advice he received from his staff which turned out to be incorrect. There was a ruling by Mr. Speaker Jerome which was overturned by the majority at that time; it was not allowed to proceed. Would Madam Speaker not agree, if there is on the face of it a prima facie conflict between two matters of fact admitted to by the minister, that there needs to be a reference to the committee in order to clarify how it is this matter was brought to the attention of the House in a way that could only produce the wrong effect?

Madam Speaker: In answer to the hon. member's query, I hope I can clarify the situaton by saying that if, subsequent to reading *Hansard* and the exchanges which took place in the House, some hon. member feels he could make a definite charge—not just an inference, or fishing for some information, or making a vague allegation, but a definite charge with the consequences attached to that process—then yes, the hon. member may bring in a substantive motion which might or might not be debated in the House. That is the procedure.

Mr. Nowlan: That is absolutely wrong.

Mr. Rae: Madam Speaker, all I would say is that it seems to me strange, if I may put it that way, that one of us would have to make an accusation which could be in its consequences very unfair for the individual involved. Not wanting to make those kinds of accusations, we can nevertheless see a discrepancy in terms of what has been said and what has been done, and it needs to be clarified.

• (1530)

Is it the ruling of the Chair that it is required that an individual member necessarily has to accuse another individual member of wilfully misleading before it is deemed a question that is to be referred to the standing committee? That seems to be an unduly harsh requirement.

Madam Speaker: I will read to the hon. member a ruling from Speaker Michener on this particular point. He said that the House should not set in motion its power to try to judge the conduct of a member unless such member is charged with a specific offence. It is further urged that not only must he be charged, but that he must be charged by a member of the House of Commons standing in his place.

So it is not a fishing operation and it is not vague allegations; the hon. member presenting his case would have to make a very specific charge and be prepared to back it up with facts.

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, so far as I know the ruling you just referred to pertained to members, and we are all members of this House. The initial complaint referred to a minister of this House. I was not going to get overly involved in this but my privilege has been affected if a minister has, inadvertently or deliberately, caused a budget leak. Madam Speaker, you—

Madam Speaker: Order, please. The hon. member is again dealing with a hypothetical question—"My privilege has been affected if." I have ruled that this is not a question of privilege and should not be discussed under privilege. If hon. members want to pursue this discussion, I have indicated the proper way to do it. I would appreciate it if hon. members would follow that course if they want to.

Mr. Nowlan: The only reason—

Madam Speaker: Order, please. The hon. member for Etobicoke Centre (Mr. Wilson).

Mr. Nowlan: Madam Speaker, I am standing on a question of privilege that arises out of what happened in this House before you spoke.

Madam Speaker: Order. Order, please.

Mr. Nowlan: Madam Speaker, I stand on a question of privilege in view of what the President of the Privy Council (Mr. Pinard) said—

Madam Speaker: Order, please. The hon. member is again referring to a question that we have been discussing for half an hour. I have said that it cannot be discussed under—

Mr. Nowlan: You cut me off before I even started, with respect, the same as you did the hon. member for Leeds-Grenville (Mr. Cossitt).

Madam Speaker: Order, please. Order.

Some hon. Members: Order.

Mr. Nowlan: Order? She has to have some order.

Madam Speaker: I am willing to listen to hon. members. It is my duty to listen to hon. members and I do. But I ask hon. members, when they are discussing privilege, to let me know in the first two or three sentences what the question of privilege is all about. That is a rule I am going to enforce in this House. If

hon. members cannot tell me in the first two or three sentences that they have a privilege, then I suppose the privilege does not exist. It has to be stated in the very beginning what the privilege is; then I hear hon. members. I then have the discretion to decide whether I feel there is a question of privilege or not, and I may interrupt the hon. member at that point or continue hearing him.

If the hon. member feels that I have not listened to him long enough and that he has something very important to tell me, will he please tell me what it is in the first two sentences.

Mr. Nowlan: Madam Speaker, with respect, when I stand on a question of privilege it has to be something important, especially something like this.

You yourself, in the chair, referred to the Kenora precedent where the member felt himself to be a victim and therefore moved a motion. You distinguished that from my rising on a question of privilege, when I feel victimized by knowing that if the facts of the hon. member for Leeds-Grenville (Mr. Cossitt) are correct—and I have to say "if" because I do not have the facts, and with respect, Madam Speaker, you cut off the hon. member for Leeds-Grenville before he established the facts. Quite frankly, we will most likely have to wait until tomorrow to see what some of the answers are. With respect, I could not sit idly by with, in effect, your ruling in part, after the President of the Privy Council laid red herrings all over this green chamber by raising this question of "Lay a charge or else suffer your seat."

Your Honour referred to two precedents in England. We all know, unfortunately, that political morality in England in terms of principle is sometimes a little higher than in other chambers. It obviously is within the power of the Prime Minister (Mr. Trudeau) to do something about this if the facts are correct.

On your own words, with respect, the hon. member for Kenora-Rainy River (Mr. Reid) felt he was victimized and he raised a motion. I say to you, Madam Speaker, that if another member on this side, and especially the hon. member for Leeds-Grenville, does not present a substantive motion, then if his facts are correct I will present a motion, because I feel just as victimized. In effect, there could very well have been a breach affecting my privilege as a member—

Madam Speaker: Order, please. I think at this point I can interrupt the hon. member. He is speaking of two different privileges. He is speaking now of a privilege that he might have because he cannot make out in the discussion we have just had whether there has really been a breach of budget secrecy that would affect his privilege. It is all "iffy." Is it or is it not?

Through the discussions that we have just had, can the member establish to me that his privilege has really been breached? That is quite different from the privilege of the hon. member for Kenora-Rainy River to which we were referring whose actions were interpreted, if my memory serves me correctly, as having breached a secret of the budget. That is quite different and I am afraid there is no equation between the two kinds of privileges.

I have heard the hon. member and I think I have been patient with him. We are not discussing this question under privilege any longer. I have said that it is not a question of privilege and the fact that he is now protesting that I did not listen to him long enough is not a question of privilege either.

Mr. Nielsen: Madam Speaker, like you, I would not want to see an undesirable precedent find its way into our records. I do not think I heard you give credence to the submission of the government House leader when he stated that the practices of this place were that before a question of privilege could arise, a specific accusation had to be made. I have no quarrel with that part because many Speakers have ruled on it. You went on to say that embodied in that principle, if the charges proved to be unfounded, was that the member making those specific charges forfeited his seat.

Mr. Speaker Jerome and many Speakers before him have ruled that that is not part of our practices. It is not a convention. I personally had cause to go into that question very carefully myself in 1963. That is not part of our practices, Madam Speaker, and I hope I did not hear you say that it was.

Madam Speaker: I did not say that. I just agreed to the first part of the hon. member's intervention. What might happen afterwards, I suppose, is a matter of the personal ethics of the people involved in these incidents. It has nothing to do with the Speaker; it is a matter of personal ethics.

MR. DOMM—ALLEGED BREACH BY MINISTER OF BUDGET SECRECY

Mr. Bill Domm (Peterborough): Madam Speaker, I am interested in gaining from the Chair some clarification on a point of order dealing with the possibility of a leak of information that would prove to be, in my assessment, a very definite breach of privilege.

On November 10, as reported at 12704 of *Hansard*, when I rose on the question of privilege that we have been discussing today Your Honour did, in essence, according to your response, reserve judgment. I rose in the House on that date and put the following proposition to Your Honour:

> If budget information is being prematurely passed on to certain individuals by the minister, information which Parliament must necessarily be advised of in the first instance by means of the budget speech of the Minister of Finance (Mr. MacEachen), then the law of contempt of Parliament should clearly be cited and my rights as an individual member are surely being circumvented.

● (1540)

I refresh everyone's memory with Your Honour's response to my concern, because that gave me grounds to pursue this matter rather than having to stand up in this House, as the House leader for the government has stated, and lay a charge. Your Honour answered very specifically and said:

> It is quite puzzling to me that most of the facts brought forward in the question of privilege seem to be of a hypothetical nature.

This is hypothetical. No one knows whether the minister did or not. I now suggest, with all due respect, that there is certain information which would lead a great number of us in this House to know that it is no longer hypothetical. It disturbs me no end to feel that I have to stand up in this House, if we can prove, as Your Honour has asked us, that we can remove this matter from hypothetical circumstances to factual circumstances, and charge the minister with what was obviously a leak of confidential information prior to budget time.

I would hate to think that Your Honour is now stating that this is necessary. I would rather assume, after bringing this to a conclusion, that I would be able to pursue these phone call conversations with constituents across Canada by the minister's office, since they clearly indicated to these constituents that what was in the budget was going to save their homes. Now we have a situation where he has communicated that information, not only to constituents of mine and to others, but also to the media. If one is going to tell newspapers across Canada what is in the budget before it is actually announced, then it goes back to my original question of privilege when I said the following:

It is my understanding that a valid question of privilege is a question as to whether the law of contempt of Parliament—

Surely I do not have to rise in my place on a matter of contempt of Parliament and charge a minister. If there is contempt of Parliament, then it is up to Parliament to decide.

That is my intervention and I am pursuing the case. I hope when I come back in with a written question of privilege, which I intend to do, that I do not have to ask for the resignation of the minister responsible for housing but, rather, that I can ask the Speaker to look into the matter by referral to committee to investigate facts and not fiction. Within the next week I propose to bring facts into this House of Commons which clearly indicate that the minister has leaked confidential information, not only to the people of Canada, but to the media as well. What could be more blatantly against convention?

Madam Speaker: Of course, the hon. member is not serious when he is saying that I can allow hon. members to allege certain things against the minister, or allege a breach of budget secrecy and not make a formal charge.

There is a period during the sitting of the House, the question period, where hon. members can ask questions in order to elucidate a situation which they might want to pursue further as a question of privilege or in another fashion. However, a fishing operation cannot take place without a charge.

An hon. Member: Not even for a red herring?

Madam Speaker: An hon. member cannot stand in his place in the House and vaguely accuse another hon. member of something without substantiating it with facts. Therefore, the answer I gave the hon. member remains.

I cannot deal with a question of privilege based only on a hypothetical situation. On the other occasion the hon. member said "If the minister or an official had said such and such to my constituency, then I would have a question of privilege." I cannot rule on hypothetical situations or statements. The hon. member must come into the House and say: "These are the statements and this is the situation." However, when all of this is prefaced by "if", the Chair is not in a position to rule.

If I do find, after the facts have been presented to me, that there is a prima facie case of privilege, then, of course, the hon. member is right. It is up to the House to find if there has been contempt of the House. That matter of contempt of the House is dealt with by the House after the Speaker has found a prima facie case.

* * *

PRIVILEGE

MR. WILSON—BUDGETARY CHANGE RESPECTING INVESTMENTS IN MURBs

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have a question of privilege on a related and very specific topic. It concerns the announcement made by the Minister of Finance in his place today to the effect that there will be a significant change—

Mr. Nielsen: A major change.

Mr. Wilson: —a major change in the treatment of investments in MURBs as it was first presented in the budget. This change that he announced while the stock markets were open will have a significant effect on the operations, and possibly the market value, of certain listed companies.

The reason I say it is a related point is that the whole question of budget secrecy and the timing of the release of the budget is of so much importance. The tradition and the convention is there to avoid possible financial or personal gain on the part of individuals receiving this information—

Madam Speaker: Yes, but again, that is a convention. The hon. member is rising on a question of privilege. The stock markets and companies which might be affected by a statement have no privilege in this House. Therefore, the hon. member cannot raise that matter under the heading of a question of privilege. They do not have privilege in this House. The hon. member has privilege in this House. If he tells me that his privilege has been affected by this, although I do not see how it can have been affected, I will hear him.

[*Translation*]

He did not state his question properly.

[*English*]

Mr. Wilson: My specific reason for raising it today was to give Your Honour notice as soon as I possibly could after the announcement by the minister. At this point I wish to study the transcript and also the press.

Madam Speaker: The hon. member may study the transcript and he does not have to give me notice. He can do that tomorrow. I am afraid that hon. members are taking the time

of the House to give me all sorts of notice which I do not need. If the hon. member has a question of privilege, he should send written notice to my office with a brief statement.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. CORBETT—VIA RAIL—CUTBACKS IN PASSENGER SERVICE

Mr. Bob Corbett (Fundy Royal): Madam Speaker, I wish to place before the House two petitions containing over 900 names of citizens of the community of Chipman and other regions in New Brunswick protesting the cut-off of passenger train services in that region. Many of these folks will not be visiting with their loved ones over the Christmas holiday this year, compliments of the compassionate and little understood Minister of Transport (Mr. Pepin).

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,487, 2,708, 3,064, 3,165, 3,246, 3,252, 3,283 and 3,284.

[*Text*]

SURVEILLANCE OF MEMBERS OF PARLIAMENT

Question No. 1,487—**Mr. Cossitt:**

During the past three years, has any security branch or any other branch of the government, directly or indirectly, been responsible for the placing under surveillance, electronically eavesdropping on in any way whatsoever, tapping telephones, using devices to listen to automobile conversations, etc. of any member of the House of Commons and, if so, in each case (a) what was the name of the member and the constituency (b) what was the purpose of such action (c) on what dates, by what means and in what locations was such action taken?

Hon. Bob Kaplan (Solicitor General): In so far as the Security Service of Canada is concerned, it is not considered in the national interest to attempt to answer such a question. If such a question were answered in the affirmative, it could provide information about security operations which might prejudice their success or unnecessarily prejudice the reputation of an individual; if in the negative such information could provide comfort or aid to those involved in ongoing violations of national security.

Order Paper Questions

ASSISTANT REGIONAL DIRECTOR, GULF REGION

Question No. 2,708—**Mr. Corbett:**

1. Was an assistant regional director appointed for the new Gulf region directorate of the Department of Fisheries and Oceans and, if so (a) what was his/her name (b) by whom or by which department was he/she previously employed (c) what are his/her qualifications?

2. Was he/she hired through a public service competition, either in-house or public, or by ministerial appointment?

3. What is the job description for the position of assistant regional director?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): 1. Yes. (a) Jean-Eudes Haché, (b) Department of Fisheries and Oceans, (c) Mr. Haché has the following academic qualifications: B.A. (Moncton University), B.Soc.Sc. (Ottawa University), M.A. (Ottawa University).

Employment qualifications: 1968-1972, Prime Minister's Office, regional desk officer, Atlantic provinces, 1972-1974, Veterans Affairs, executive assistant to the minister, 1974-1976, executive assistant to the Minister of State for Fisheries, 1976-1977, policy advisor, resource allocation branch, Fisheries, 1977-1979, manager (eastern Canada) resource allocation branch, Fisheries, 1979-1980, Fisheries and Oceans, senior staff officer, resource utilization, 1980-1981, Fisheries and Oceans, director, resource allocation.

2. Appointed through a public service competition (in-house). The assistant director general is accountable as deputy to the regional director general for the ongoing co-ordination, orchestration and delivery of regional fisheries management and support programs and activities; in order to achieve federal and departmental objectives and satisfy the mandates for the management of the aquatic and marine renewable resources of the Gulf of St. Lawrence.

PURCHASE OF AUTOMOBILES FOR CABINET MINISTERS

Question No. 3,064—**Mr. Cossitt:**

1. What are all the details of the methods used by the government to purchase automobiles for the use of cabinet ministers?

2. Are tenders called and, if not, for what reason?

3. Are tenders invited and, if so, who draws up the list?

4. Is it customary to permit a cabinet minister to purchase a new vehicle from a dealer of his or her choice in his or her constituency or anywhere else?

Hon. J.-J. Blais (Minister of Supply and Services): 1. All automobiles for the use of cabinet ministers are purchased, on behalf of departments, by DSS from franchised dealers. Depending on the availability of the vehicle requested, bids are solicited by telephone from dealers located in the immediate vicinity of where the automobile will be used. It is customary however, for ministers to choose whether the vehicle is to be purchased in the National Capital Region or in their constituency.

Order Paper Questions

2, 3 and 4. See above.

DND—CONTRACT WITH HANSON-MOHAWK INC.

Question No. 3,165—**Mr. McKinnon:**

Is the Department of National Defence buying socks from Hanson-Mohawk Inc. under contract number 13GA.2511007 (2GA81-00224) for the amount of $1,107,975 and, if so, how many pairs?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services has awarded a contract on behalf of the Department of National Defence in the amount of $1,107,975 for 671,500 pairs of socks.

LOBBYISTS

Question No. 3,246—**Mr. Cossitt:**

1. Is the government aware of an increase in the number of persons or groups acting as lobbyists with members of Parliament on Parliament Hill?

2. Is the government aware that lobbyists in the United States must be registered or licensed and has the government considered or will it be considering establishing a similar system in Canada?

Hon. Yvon Pinard (President of the Privy Council): 1. The government does not maintain statistics on this subject.

2. The government is aware of the system in the United States and has had many suggestions made about possible adaptations for the Canadian context but does not expect to be able to make any proposals in the very near future.

COST OF ANSWERING QUESTION

Question No. 3,252—**Mr. Cossitt:**

1. What is the estimated cost of answering Question No. 3,239 on the Order Paper in the name of the hon. member for Kitchener asking the cost of answering questions by the hon. member for Leeds-Grenville regarding use by cabinet ministers of Department of Transport aircraft?

2. Was the question suggested for drafting by a member of the government for inclusion on the Order Paper by the hon. member for Kitchener?

3. Is the government trying to discourage questions from the opposition by emphasizing that it costs a certain amount of money to prepare an answer, rather than emphasizing freedom of information to the Canadian people?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. $125 plus costs of translation and printing of the question and answer in the Order Paper and the *Debates*.

2. No.

3. The government encourages all of its employees to make available as much information as is consistent with the security of the nation and is amused when Members of Parliament put down questions on the Order Paper to which they have obviously the answers but not the courage to make the information public themselves. The government is not amused, however, by the expense thereby incurred by the public. The government does not regret the discomfort of hon. members who so abuse the system when other more diligent hon. members point out this behaviour.

BEHAVIOUR OF PUBLIC SERVANTS

Question No. 3,283—**Mr. Cossitt:**

1. With reference to the answer to question No. 3,029 which stated in part that the government will not answer questions concerning complaints about public servants (a) did it answer such questions in the past (b) has there been a change in government policy to bring about the present attitude and, if so, on what date was the policy changed and by whose orders?

2. Is the government following a policy of attempting to discourage members of Parliament from using the Order Paper to obtain information where a public servant was allegedly rude and crude with the staff of a Member of Parliament as well as with the Member of Parliament?

3. Is the government now following a policy of permitting bureaucrats to insult Members of Parliament and to deny them information?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1, 2 and 3. The government does not approve of public servants insulting or abusing any person, whether or not this person is a Member of Parliament. As stated in the answer to Question No. 3029, any such abuse, if reported to the minister concerned, will be acted upon. The government does not regard the posing of a question on the Order Paper as a serious route of seeking correction of an unsatisfactory situation involving a citizen and a public servant.

QUESTIONS ON THE ORDER PAPER

Question No. 3,284—**Mr. Cossitt:**

With reference to the answer to question No. 3,029 concerning the actions of a public servant by the name of Mr. Ed Webster (a) which department completed the answer to this question (b) was this question ever referred to the Department of Industry, Trade and Commerce and, if so, for what reason was the answer not signed by that minister (c) was the answer signed by the Parliamentary Secretary to the President of the Privy Council and, if so (i) under whose authority (ii) what part, if any, did the President of the Privy Council or anyone on his staff play in the preparation of the answer?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): (a), (b), (c)(i) and (ii). The Office of the President of the Privy Council is responsible for co-ordinating the answering of Questions on the Order Paper. In accordance with section 3 of the Parliamentary Secretaries Act, this function is a particular assignment to the Parliamentary Secretary to the President of the Privy Council. In order to improve the provision of information in response to questions intended to seek information rather than to proselytize or complain, questions in the latter category will continue to be dealt with in the most expeditious manner possible.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, November 16, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, and the amendment of Mr. Wilson (p. 12752).

Hon. George Hees (Northumberland): Madam Speaker, the budget which was presented by the Minister of Finance (Mr. MacEachen) to the country last week was far more notable for the things which it did not do than for the things which it did. I believe that a principal weakness of the budget is that it will do nothing to stimulate the economy or bring down the cost of living. The minister admitted that both unemployment and the cost of living will remain at their present high level or go even higher during the next few years. By failing to stimulate the economy, the budget will do nothing to lift the country out of this serious recession which we are experiencing today and which is predicted to get even worse during the winter months. Economic stimulation is urgently needed.

● (1550)

In planning to stimulate the economy it has become obvious during the last five years that if a government wants businessmen to do something which it believes is necessary for the good of the country, it must not simply hand them a gift in the form of a tax reduction and hope that they will make use of it in the way the government would like them to. What a government must do is to tell businesses what the government wants to accomplish, and it will reward efforts to bring about that aim in proportion to the effort that is made.

What, then, do we want businesses to accomplish in order to get our economy moving at a satisfactory pace? First, we must make our products more attractive in price, quality and design so they will be preferred by Canadians and foreign buyers to the ones they are now buying. No Canadian, or anyone else, is going to buy a Canadian product if they can find a foreign-made product of equal quality and at a lower price, or one of better quality at the same price.

Second, we must sell our products more aggressively in the export market.

Third, we must turn more of our raw materials into finished products here in Canada.

I am convinced that the only practical and effective way to accomplish these three objectives is to develop an incentive strategy which will bring about substantial improvements by increasing productivity, increasing research and development, expanding export trade and processing more of our primary products in this country.

To increase productivity, we must offer incentives which will persuade producers that they will be able to pay for the new plant, machinery and production systems they will need to buy

in a reasonably short space of time. This will make it as easy as possible for them to make the usually high expenditures involved.

The kind of incentive I have in mind would be one whereby (a) all capital expenditures may be written off in one year; and (b) a plant would be rewarded in the form of a cash bonus at the end of the year in proportion to its increase in productivity during the year, compared to the base year, the last full year before the plan goes into operation.

This form of incentive has been very effective in increasing productivity in such countries as Japan and West Germany, where spectacular results have been achieved since the end of the Second World War. I am convinced there is no reason why such an incentive would be any less successful in this country today.

Next I would like to deal with the steps which I think should be taken to increase the amount of research and development which is carried on by industry in this country. One of the reasons we have had to rely so heavily on foreign investment in the past is that investment brought with it technology which was produced by research done in the country where the capital originated. To be less reliant on foreign investment, to capture new markets which are looking for new and better designed products and to lower costs and become more competitive, it is obvious that we must carry out a great deal more research and development in this country.

To bring this about, we should allow industry to write off 200 per cent of the cost of current and capital expenditures on research and development in excess of those made in the base year, the last full year before the program is introduced. In addition to writing off the full cost in one year, it will put a considerable cash reward in the pocket of the company undertaking the research.

This kind of program has been successful in significantly increasing the volume of industrial research in countries where it has been introduced. I am convinced it will prove equally effective in Canada.

The third incentive with which I would like to deal is one designed to promote greater sales in the export market. Because of this country's great dependence on the United States market, where 70 per cent of our export sales go, together with the steady move of that country toward protectionism, the development of additional markets has become particularly necessary if we are to increase our volume of exports or even maintain our present level of export sales.

Making sales in other countries depends, to a very large extent, upon doing four things successfully. First, going abroad and making personal contact with potential buyers; second, finding out what is required to meet the competition in those markets; third, returning to Canada and producing a product which can compete successfully; and fourth, displaying the product effectively before potential customers.

The incentive I suggest would allow producers to write off 200 per cent of all expenses connected with making sales trips abroad, displaying their products at foreign trade fairs, and

any other expenses incurred in sales promotion in the export market in excess of those made in the base year, the year before the plan goes into operation. Not only would all such expenses be completely written off in the year when they are made, but a considerable cash bonus will accrue to the company for its additional sales promotion activities. The kind of incentive I have mentioned will greatly encourage the kind of activity which is essential if increased sales are to be made.

Another thing which the government should do to help increase the sale of Canadian products abroad is to organize "Fly and Buy" missions whereby the important buyers from the principal foreign markets would be brought to Canada once a year to see Canadian products displayed in giant trade shows in Montreal, Toronto, Winnipeg and Vancouver, and our heavy machinery in the factories where it is manufactured. Such operations have produced spectacular results where they have been used and have paid for themselves many times over by the additional business generated.

Finally, I would like to discuss the need for this country to process more of our raw materials to their finished state, and what should be done to bring this about. For far too long, we have been shipping out of Canada a much too large proportion of our primary products to be processed to their final stages of production in other countries, which thereby gain the many advantages of employment, taxes and profits which accrue from this further processing. We have in Canada the skilled manpower, managerial skill, cheap power and excellent transportation facilities which are needed for this further processing. It is about time we started doing something about getting more of this work for Canada.

Now, what should and can be done? Forty years ago, the government of Ontario introduced a plan which has been largely responsible for the spectacular expansion of the pulp and paper industry in that province during the intervening years. It required companies to process in the province a far higher proportion of the logs which they cut, a large proportion of which they had been shipping in the raw state to paper mills in the United States.

What has worked so well in the case of the pulp and paper industry in Ontario can work equally well in other primary industries right across the country. It should apply to all raw materials which we ship to other countries for further processing. It can succeed equally well because of the great dependence of other countries on our primary products to feed their manufacturing processes.

It is obvious that a certain proportion of the raw materials we produce must be exported in the raw state, but not nearly the proportion that is the case today. The Department of Industry, Trade and Commerce should now undertake an intensive study of our primary industries to determine what proportion of the primary products we produce can reasonably be required to be processed to their finished state in this country.

Having decided what proportion of our various primary products should be further processed in Canada, we must produce an incentive sufficiently attractive to persuade those who normally export our raw materials that it will be profitable for them to build the plants necessary to carry out this additional processing in Canada.

It has become painfully obvious that the grants now provided by the Department of Regional and Economic Expansion, although useful, have not proved sufficiently attractive to bring to our areas of slow growth sufficient new industry to reverse the dangerously high rates of unemployment that have persisted in those areas for many years.

I believe that in addition to the DREE grants which are now available to areas of slow growth, we must also make available an additional incentive in the form of a graduated scale of federal taxation which will permit a new plant processing primary products in an area of slow growth to pay no federal taxes in the first full year of operation, and gradually increase its tax payments until it is paying full taxation in the fifteenth year. My conversations with leading businessmen across the country have convinced me that this incentive, added to the present DREE grants for slow growth areas, will prove sufficiently attractive to accomplish what has to be done.

● (1600)

The four incentives which I have outlined will pay for themselves many times over in years ahead in the following ways. First, we can drastically cut the presently far too high expenditure on unemployment insurance, which is more than $4 billion a year, by stimulating the economy and enabling people to find work. The potential in this regard is at least $2 billion of the more than $4 billion a year we are at present paying out in unemployment insurance premiums.

Secondly, we can greatly increase tax revenues because more people will be working and paying income taxes, more commodities will be sold and will be subject to additional commodity taxes, and the increased volume of business will lower unit cost of production and make available more profits to tax.

What we need is an incentive strategy to get the economy moving at a satisfactory pace, and I think I have outlined such a program.

Another serious weakness in the budget is that there is no attempt to ensure that Canadian industries and workers will be able to compete on a fair basis with those in the low wage countries of Africa, Asia and Eastern Europe. Those countries pay wages which are a small fraction of those paid in Canada and other industrialized countries, and they are thus able to pay transportation charges and duty, make a very satisfactory profit and sell their products in Canada at prices considerably below the Canadian cost of production.

What we need are import quotas similar to those imposed by the United States and countries of the European Common Market. Those countries require that 80 per cent of domestic needs be supplied by domestic producers, and thus leave the remaining 20 per cent of the market to be competed for by offshore producers.

In Canada, in almost all cases, the government allows foreign producers to compete for any share of the market which they wish. This means that much of our high unemployment today is the result of the kind of unfair competition which is not tolerated by other industrialized countries.

Several years ago those of us who have footwear producers in our ridings persuaded the government to impose import quotas to enable our producers and workers to compete on a reasonable basis with those low wage imports. These quotas worked very well and our footwear industries were able to survive. Those quotas must be renewed by December 1 or they will expire and the footwear industry in Canada will be in chaos. I have pointed this out to the Minister of Industry, Trade and Commerce (Mr. Gray) very strongly on several occasions during the past few months, but so far he has failed to act. I again very strongly urge him to do so in order that a very important industry, the Canadian footwear industry, can survive.

Probably the greatest weakness of the budget is that it will do nothing to bring down the present high interest rates which are doing so much harm to our householders, our businessmen and our farmers. A great many of these people simply cannot maintain their mortgages or finance the operation of their businesses or their farms at the present very high rates being charged today. The government can and should bring these interest rates down to about 13 per cent, which is very slightly above the rate of inflation, without further delay.

Something which I was glad to learn from the budget was that the minister had listened to those of us who had spoken to him and his advisers regarding the harm which would be done if income taxes were raised, or if the indexing of incomes for income tax purposes was discontinued. By not doing these things he has followed a sensible course.

I feel sure that all Canadians were disappointed to learn that the federal government is cutting back substantially on the contributions it has been making to post-secondary education and health care. Without this federal assistance, university and community college education will be a great deal less available to our young people who need this additional education and training as the need for higher skills becomes more evident each day.

The federal cutbacks in the field of health care will greatly reduce the health services available to our people, and this is something which should not be done at any time.

In conclusion, Mr. Speaker, I would say that this budget, while providing some relief in several fields, has failed to deal effectively with the three main problems facing the country today; unemployment, high interest rates and the cost of living. I strongly urge the minister to start correcting these serious weaknesses without further delay.

Hon. Gerald Regan (Secretary of State): Mr. Speaker, in entering this debate I am privileged to follow the very distinguished hon. member for Northumberland (Mr. Hees) whom I always admire greatly, even though I may not agree with all of the views just expressed.

I want to say at the outset that congratulations are in order to the Minister of Finance (Mr. MacEachen), who produced what I think is a very worth-while budget in difficult times.

An hon. Member: That's a good neutral word.

Mr. Regan: It is not a neutral word. Let me make it quite clear that hon. members opposite, in their efforts to assess the budget or talk about it, tend to concentrate on what they can find that can conceivably be negative. I noticed, for instance, that they used the whole question period to talk about a luncheon yesterday or about the time that ads were placed, instead of asking constructive questions about the contents of the budget, or making comments on those measures which are important to the people and the commerce of this country.

Let me point out very quickly that the Minister of Finance, in difficult financial times, not just in Canada but in the United States, in Europe and in other countries of the western world, was able to come in with a budget that had no personal income tax increases. Indeed, it contained cuts for most people in relation to the amount of income tax they pay. There was also the important element of equity. By plugging loopholes the minister was bringing about a result in which all people would be taxed on something certainly closer to the same basis, rather than allowing those who happen to be smart enough to know of loopholes to take advantage of them, with other people not being able to do the same. Therefore, I think these achievements of the minister are important.

Then we have the fact, ignored by the opposition parties, that for the second year in a row the minister has been able to produce a budget which includes a substantial reduction in the deficit. At other times they and many people in this country recognize the importance of Canada moving closer to a balanced budget. That is not very easy to achieve, particularly in such times as these. The minister, in doing that for the second year in a row, is probably the only Minister of Finance in this country for a very, very long time, at least as far as I can remember, who has succeeded in that achievement.

I want also to say that the fact that this budget was brought forward with no cutback in financing for health or education is another very important achievement.

● (1610)

I would like to talk about the question of post-secondary education, which I think is a subject of considerable importance and of interest to many people. Canada is at a stage in its history where fundamental choices must be made with respect to the direction that our colleges and universities are heading. I think we have to stand back and examine what skills and general learning we want our young people, and indeed people of other ages who return to education, to derive from their years at university or community college. The choices of which I have spoken must be made by the colleges and universities themselves as well as by individual students and faculty members. At the governmental level, the Constitution gives primary responsibility for education to the provinces, but I am sure every member of this House will quickly

recognize that our colleges and universities are national as well as provincial bodies. They are an asset to the nation as a whole.

For a university to achieve any success at all in achieving its primary purposes, it must be more than provincial in its nature. These universities provide strong links among the regions of Canada and with the international community. For these reasons, as well as its involvement in areas such as research, official languages in education and occupational training, the federal government has for some time played a growing and important role in post-secondary education.

This budget marks an important milestone in support by the federal government of post-secondary education and of human resource development generally. It allows us to get on with the job of strengthening the structure of federal support of post-secondary education and human resource development generally. I include under the term of human resource development, federal support of students and support of the colleges and universities in carrying out their central responsibility for creating and transmitting knowledge and critical capacity across a broad spectrum of disciplines as well as for their professional and more occupationally related programs.

During the past year, there has been intensive discussion on the future of post-secondary education and human resource development in our country. Much of this discussion has centred, of course, around the activities of two very important parliamentary task forces; one on Federal-Provincial Fiscal Arrangements, the other on Employment Opportunities for the '80s. The reports of these two task forces are based on a wide spectrum of views expressed by individuals and groups from across our country. As well, a number of conferences and studies have explored the financing of post-secondary education in the future.

During this period of consultation and discussion, a growing understanding has emerged throughout Canada that a major review is needed of the ways in which the colleges and universities which are faced with financial uncertainty are to maintain excellence in their core undertaking of creating and disseminating knowledge. Similarly, a review is needed of the way in which Canadians are to be provided with the knowledge, skills and critical capacity that they will need in order to take full advantage of the opportunities which will be offered by Canada in the eighties and the nineties.

The challenges facing the educational and training system are considerable. Demographic change suggests that the participation of young persons in post-secondary education may slow down and decline over the next decade. If that happens, there will be new demands in areas of continuing education and in the retraining of mature persons. Projections indicate that demand for occupational skills will likely change markedly in the 1980s.

This brings me to what I consider a very important point. Many people today feel they should only be concerned about training and education that is directed at a particular trade or skill. I do not believe that is correct. We are told by the experts that technological change occurs at such a rate today that many people who enter the work force may have to be retrained two, three or four times for other occupations during the span of their 40 years of work because of technological change doing away with the opportunities provided in their first or second chosen field.

I believe very firmly that a broadly-based general education for as many of our citizens as possible provides the best base upon which retraining can be undertaken. I contend that those people who have had as much general education as possible, liberal arts education, for example, are better equipped to take retraining in unrelated skills compared to the field they were formerly in.

I am also constantly reminded of the fact that in this century the United States, as a result of its higher per capita number of university graduates than other countries, has been a leader in technological innovation.

I think the value of education can be found in many ways. I believe we would be dead in the water, as we say in shipping, if we allowed general learning to be eroded. That is not to say that there is not much more that needs to be done. Emphasis will have to be placed on research and the training of researchers in the universities if Canada is to have the capacity to meet its research and development targets. Major demands will likely be placed on colleges and universities to produce graduates who are able to operate effectively in both our official languages. In this respect, I do not know of anything more important in relation to employment opportunities.

For example, if you look in the newspapers of any major city in this country—and I am not talking about government employment advertising, I am talking about the private sector—there are more and more cases in which having a command of both official languages will result in obtaining a better chance of employment, and in many instances it is an absolute prerequisite for obtaining a job.

Important challenges still remain for the educational system in the area of Canadian knowledge and understanding. Technology is bringing about significant changes in the nature of education and training itself. Major institutional adjustments will be needed as a result of the blurring of lines of demarcation among education, work, training, culture and communications.

These challenges which we face in the development of our human resources are becoming widely understood. There is an equally widespread confidence, I think, among interested groups and individuals that we can successfully meet these challenges, but there is no tendency to underestimate the problem of doing so. The federal government intends to maintain its financial commitment to human resource development and to strengthen the way that support is provided for that area.

In recent weeks there have been those who questioned the federal government's commitment to post-secondary education. They predicted massive cutbacks in federal spending in this area. Advertisements were circulated and those claims were made before the budget came out. The budget has

proved, as I have stated since becoming Secretary of State, that those fears are groundless. In particular, I believe the advertisements by the Conservative Party in campus newspapers did a great disservice to students in colleges and universities by raising such needless fears. I also say, from the point of view of practical politics, that the Conservative Party was shortsighted because they have harmed their credibility on the campus to a considerable degree as a result of the students discovering that these were groundless claims.

• (1620)

The federal strategy for strengthening its support of post-secondary education in the eighties can be stated under three headings. The first heading is strengthening federal programs and policies directed to specific national objectives, particularly in providing Canadians with the knowledges and skills needed to exploit the many opportunities offered by our developing economy, in strengthening support of research, in strengthening programs related to official languages in education and to Canadian knowledge, and in support of students and trainees with respect to accessibility, equity and mobility.

The second heading is maintaining a significant level of federal indirect support of the post-secondary infrastructure through the provinces, the students, and the institutions when this is appropriate, given the nature of the federal role. Such indirect support would be provided in a way that ensures accountability to the Parliament of Canada and that money from federal taxpayers is used in the manner indicated. There have been cases where, unfortunately, this has not occurred. I believe that in the negotiations with reference to the future of post-secondary education and the financing thereof in this country, these are matters that must be strengthened and stressed by the Government of Canada.

The third heading is strengthening the mechanisms for effective decision-making and wider participation.

I wonder if I might now comment on each of the elements of this strategy. The first element I referred to is to strengthen federal support of manpower, social and other specific national objectives.

In his presentation to the Parliamentary Task Force on Federal-Provincial Relations, the then secretary of state began the process of defining specific national objectives. The national objectives that should go with federal participation in the cost of post-secondary education that he identified at that time have been well received and appeared to be a solid base on which to build federal policy and programs in the eighties. I intend in the near future to issue a somewhat revised statement of objectives that takes into account the comments we received on those that had been previously made and which I think will provide for more public input into our approach. I then plan to consult with interested groups and individuals with respect to these revised objectives, with respect to the basic principles that underlie federal policy and programs in support of post-secondary education, and also with respect to other matters relating to the achievement of national objectives in the area of education and human resource development.

In some areas we are already starting the process of strengthening federal programs in support of these national objectives. A federal-provincial task force has already identified ways in which student aid programs need improvement. I will be meeting soon with my provincial counterparts to discuss federal official languages in education programs. Development will continue in these areas along with an over-all review of all federal programs in support of human resource development.

The second element of the strategy is to maintain strong federal support of the post-secondary infrastructure. The achievement of human resource development objectives ultimately rests on strong, autonomous and flexible colleges and universities, on a post-secondary system which itself has the incentives and means to provide opportunity for the development of individual talent and the pursuit of national objectives.

Given our constitutional arrangements, it is primarily the job of the provinces to provide the needed financing of the post-secondary infrastructure. However, the federal government, in the interests of ensuring a high standard of post-secondary education and training across the country, has over a considerable number of years supported and will continue to support that infrastructure.

This support has been delivered via the provinces, and also through direct support to students and, where appropriate, given the nature of the federal role, to post-secondary institutions themselves. With respect to support via the provinces, the government finds considerable merit in the recommendation of the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements that the post-secondary and health portions of the established programs financing arrangements be separated into individual programs, and that federal financing earmarked for each program area not be used for other purposes. That not only will result in the intentions of those in this House who vote money in approving budgets being carried out, but it will assure Canadians that dollars intended for education are not being diverted at the provincial level for other purposes.

A review is needed of the amount of federal support that should be provided in this way. Under established programs financing, the federal share of post-secondary infrastructure financing has been rising rapidly. In some provinces the provincial share has been decreasing sharply. We must seriously examine arrangements that have the effect of shifting the burden of infrastructure financing away from the provinces, which have primary responsibility for education, and to the federal government.

If an increasing amount of available federal funds is being used in this manner, correspondingly less can be spent on vital national human resource development programs that can by their very nature only be provided by the federal government. The budget notes that unless satisfactory progress is made by March 31, 1983, in jointly developing better federal-provincial arrangements in the areas of education and human resource development, the government could be forced to freeze future per capita EPF cash transfers for post-secondary education at

the 1982-83 level or forced to follow other methods of providing support to post-secondary education. I want to express confidence that it is quite possible for the provinces and the national government together to work out satisfactory answers to these problems so that we can achieve a new agreement and a plan for improving the funding and the very structure of post-secondary education before the deadline of April, 1983.

The final element of the strategy involves taking action at the federal level to work toward more effective decision-making and a wider participation in developing policies relating to post-secondary education and human resource development. As part of this review, the process of policy-making in the area of human resource development has too often suffered from a lack of mechanisms whereby all the relevant interests could be represented. The two parliamentary task force reports that I referred to have addressed the problem of decision-making in this area. The recommendations of these reports will be considered very carefully.

In the immediate future I am undertaking a comprehensive review of federal support of post-secondary education. I plan to consult with provinces, with post-secondary organizations and with student and faculty organizations with a view to establishing a means of allowing all parties to have an input to federal policy in this area and with a view to ensuring that stronger national voices are brought to bear upon decision-making in the field of post-secondary education. I also want to say that we are keenly interested in encouraging a somewhat larger involvement by the private sector in post-secondary decision-making.

I would like to conclude by noting the same concern that has been expressed to me by students and representatives of colleges and universities about the future of the post-secondary education system in our country. They all know that there must be changes, that for the system to be relevant it cannot stand on the status quo now any more than at any time in the past. It is a system that has grown and evolved as our needs as a nation required. There have been cutbacks in post-secondary spending in some provinces and there is evidence of deterioration in some aspects of the post-secondary capacity. The federal government recognizes the difficulties that are being faced and we are determined to help overcome them.

● (1630)

The federal government, the Government of Canada, will not cut back on the budget it devotes to human resource programs. It sees them as a great priority in relation to the future wellbeing and wealth of our nation and our citizens. Indeed, by making changes which ensure that federal funds actually reach the education system, and by encouraging others to maintain an equitable share in financing, federal action could increase the total funding devoted to human resource development in Canada. Further, the federal government is prepared to consider strengthening its programs to aid those students that are faced with legitimate financial difficulties. In times of inflation that can be a special problem.

I also want to note that I am concerned, from a point of view of accessibility, with regional inequities and the fact that there are regions and provinces in Canada which have not been able, for one reason or another, to produce as high a percentage of university graduates or highly skilled people as others. I think that is a problem that needs to be addressed.

I also think that the formula under which money has been distributed has perhaps been unfair to some provinces that have tended to have an influx of students from other areas. Adjustment is inevitable and needed. The post-secondary system must remain flexible to meet the changing needs of the Canadian economy and of society.

All developed countries today are facing important challenges with respect to human resource development, not just Canada. The same type of reassessment and policy review is happening in many countries. At a recent OECD conference, for example, participants discussed common challenges resulting from tightened budgets in post-secondary institutions, from ensuring that the post-secondary education remains responsive to the needs of society, and from the growing demands for continuing education for adults.

In Canada, we are addressing these challenges and opportunities from a special position of strength. Our post-secondary system underwent a remarkable and successful expansion in the 1960s and, despite setbacks in some areas, the system remains basically strong. Canada is a leader in many of the technologies that are changing the nature of education and training. With our abundance of natural resources, the economic benefits of a qualified labour force are especially strong in Canada.

In cultural terms, the benefits of a strong education system are also especially high in Canada, where graduates are able to live and work in a multicultural, bilingual country that has a strong network of social and cultural institutions. The strengthening of Canada as a nation and the enhanced well-being of Canadians depends on the success of our collective approach to human resource development. The federal government is determined to play a strong and responsible role in this collective endeavour. As I have stressed, we are anxious that the provinces also meet their responsibilities.

The message from this budget on education is that the Government of Canada is committed to the improvement of post-secondary education. It places a high priority on post-secondary education and is determined to elicit a similar commitment from the provinces.

Mr. Thacker: Mr. Speaker, would the minister permit one short question?

The Acting Speaker (Mr. Blaker): Let me settle a couple of matters first. The minister had completed the time allotted to him. Therefore, I would have to seek the consent of the House in order to allow a question to be put to him.

There may be an offer to defer to the President of the Privy Council (Mr. Pinard), who also wants to raise a point of order. Therefore, if I see a nod of agreement from hon. members,

maybe we can short circuit the matter and proceed immediately to the President of the Privy Council.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: I am sorry to interrupt the hon. member at this stage, but I think it is important for my colleagues across the floor to know in advance what the business of the House will be for Thursday of this week.

The business for this Thursday will be an allotted day, upon the request of the Conservative Party. If we give notice of the resolution on the Constitution tomorrow—and I hope we will be in a position to do so—then Friday will be the first day of debate on the Constitution. We will know for sure tomorrow. At this point I am in a position to confirm that Thursday will be an allotted day.

Mr. Nielsen: I thank the government House leader for that advice. I should point out to the hon. member, as I am sure he will readily agree, that when I suggested November 19 for an allotted day, that was before we knew that the budget would be introduced on November 12 and that we would be debating the budget. I find it rather surprising that we would not continue with the remaining two days of the budget debate. Is there a reason we will not do that, as opposed to proceeding to an allotted day and interrupting the budget debate at a stage when it only requires two days to complete it?

Mr. Pinard: The explanation is very simple: the last two days of debate on the budget can be postponed until one or two days after December 10. I still have three supply days to allot before December 10. Because of the time restraint I have to allot a day very soon, and I am now doing that. November 19 was the date suggested by my hon. colleague. I understand his suggestion was made a long time ago, but I thought he would welcome this opportunity, since Thursday is a long day and all the Conservative members will be present this week when we have so many non-confidence votes. So I still designate Thursday as an allotted day and I am sure it pleases my hon. friend.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, and the amendment of Mr. Wilson (p. 12752).

Mr. Thacker: Mr. Speaker, will the minister permit one short question with regard to his speech?

Adjournment Motion

The Acting Speaker (Mr. Blaker): Is there unanimous consent for the hon. member to pose the question?

Some hon. Members: Agreed.

Mr. Thacker: This concerns an issue that is current around the country affecting many Canadians, particularly students, namely, whether or not the government, as a matter of policy, is considering or actively planning a move into the voucher system where government payments would be made directly to students, who would then choose the university they wished to attend. Will the minister clarify for the House what the government policy is with regard to that at this point in time?

Mr. Regan: I thank the hon. member for Lethbridge-Foothills (Mr. Thacker), who has always shown a very keen and sincere interest in post-secondary education, for his pertinent question.

The voucher system is something that has been suggested by a number of groups, individuals and institutions. It has been examined throughout the country. At the present time it is not part of government policy to use the voucher system. I think that it is one of the options that should be examined in the course of the oncoming negotiations between the provinces and the federal government. But I do not think it is a panacea of answers to the problems which exist. From the point of view of all hon. members of the House who would desire that a student recognize what percentage of the funds for his or her education comes from the national taxes of the Government of Canada, it would achieve that.

• (1640)

On the other hand, there are some downsides to it. There is a problem where institutions might almost be bidding against each other for students who carry around such a value to their coffers in their person by way of vouchers. I would say today that there are circumstances which should be examined to see whether it is capable of being improved to overcome the downsides which seem to exist. I have not taken any policy position in favour of or against the voucher system at this point.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Lewis)—Housing—Guidelines used by officials contacting home owners on mortgage renewals. (b) Advice given by officials. (c) Request that minister make statement on motions; the

hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Human Rights—Reported plan to establish civilian internment camps. (b) Terms of Standing Order published in *The Canada Gazette*; the hon. member for Algoma (Mr. Foster)—The Environment—Increased grants for construction of municipal sewage treatment systems.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, and the amendment of Mr. Wilson (p. 12752).

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, on behalf of the New Democratic Party and as its housing critic, I join with most Canadians in expressing my deep concern that the Liberal budget has denied the realities of the economic crisis in Canada, has refused to take positive steps, particularly in the area of interest rates and unemployment, and is totally insensitive to the very serious social consequences for workers, for children, for the elderly, for average families and, particularly, for poor Canadians.

Before addressing the question of housing, I want to speak first on behalf of Canada's children. I should like the record of the House to show that the budget deliberately ignored the recommendations of the Commission on the International Year of the Child and of the Standing Committee on Health, Welfare and Social Affairs which concerned the urgent needs of Canada's children. These recommendations submitted to the House last spring urged immediate federal action and federal leadership to deal with poverty as it affects young children and their families. The Minister of Finance (Mr. MacEachen) completely ignored this very important and urgent report. Because of this budget omission, millions of Canadian children will continue to be deprived of adequate nutrition, decent shelter and necessary child care. Many are being damaged and abused because their parents simply cannot cope with the continuous stress, insecurity and unemployment which the budget predicts will continue. The plight of native children is a national disgrace. The government continues to ignore situations which would be intolerable even in Third World countries.

The minister said that the budget was concerned with equity. If the hon. member for Broadview-Greenwood (Mr. Rae) were here, I think he would say that this is another "MacEachenism", a half-truth. I ask the Minister of Finance whether this neglect of Canada's children is equitable, moral, or even financially feasible? The budget should have contained major reforms to the child tax credit system as a first step toward an adequate guaranteed income. The $3 increase per month in favour of lower-income families, which the minister said is a reform of the child tax credit system, will not even cover the cost of babies' diapers.

Low-income men and women who stay at home to perform parenting roles with young children, especially many single parents, suffer considerable loss of necessary income. We believe they should receive higher tax credits and Canada pension coverage. Also the budget should allow expanded income tax deductions for the cost of daycare for working parents. Federal assistance should be expanded greatly to make good quality daycare services available in every community across the country. Surely this would have been a wise investment in Canada's future generation. Are human resources less important than gas and oil and national defence? We will pay the social cost of this negligence. It will cost far more than prevention would have cost had it been included in the budget.

As the NDP housing critic I want to concentrate on the budget as it affects Canada's serious housing crisis. In preparation for a study of the document, I listed several questions related to housing concerns in Canada. Let us take a look at the answers which are now apparent. First, would there be relief for home owners facing mortgage renewals? We know now that the government offered merely a crumb, and a pretty crummy crumb it is.

Second, would there be help for renters? There was nothing in the budget for renters—no shelter allowances or increases in non-profit housing, which is about the only affordable type of rental shelter.

Third, would the budget stimulate rental construction? We know that MURBs are out now, thank goodness, and that the government offered no-interest loans of $7,500 for some 15,000 rental units over the next two years.

Fourth, would there be increases in RRAP funds for renovations and home repairs? No, there was none.

Fifth, would the government help victims of urea formaldehyde foam insulation? This is a government obligation since a government-sponsored program encouraged the use of this poisonous type of foam. There was no help for UFFI victims.

Sixth, would the CMHC budget be increased, even increased to the amount allocated in 1976? No. It was not.

Seventh, would there be a lowering of interest rates, particularly mortgage interest rates, the major cause of the housing disaster? Of course not.

Eighth, what about no excess profits tax on banks and increases in capital gains tax? Of course there were no taxes on bank profits and capital gains tax remains the same.

Ninth, would there be a reinstatement of the community grants program for land banking which is also urgently needed for affordable housing? This is something about which municipalities were particularly concerned over the past year. No, again. All we have is a token amount in the budget for rental

construction; that is all there is which is positive. The budget made no impact at all on Canada's housing crisis.

The minister responsible for CMHC has left the House; one can understand why. He should hang his head in shame, not brag about the budget as he did the other day. He does not make any sense. He has not read the budget, to be bragging about it. He told home owners that this long awaited budget would help solve their mortgage problems. Hon. members will recall that he said it would help some 100,000 people renewing mortgages at over 30 per cent of their incomes. That is just for mortgage, interest and taxes; forget about the high cost of fuel and other household costs. He said that it would help them out of their dire straits and would save their homes for them. He was wrong, very wrong. The government decided to rescue Canadian home owners from the disaster created by high interest rates by imposing on them a certified disaster—the Canada mortgage renewal plan. This is a reincarnation of the old AHOP. We know how disastrous that was. It would put home owners in bondage for their lifetime.

● (1650)

We expected the Minister of Finance to make the banks bleed a little. He certainly did not do that in this budget. It is a bloodbath all right but not for the banks; it is the home owners who will be the blood donors. Bankers are laughing all the way to their banks. Instead of lowering mortgage interest rates, the government will subsidize continuing high mortgage interest rates. That hardly gets at solutions. Instead of requiring the banks to establish an affordable mortgage lending portfolio from their billions of dollars of profits—$1.4 billion in the first three quarters of this year—the government will guarantee mortgage interest deferral plans. This will bring in thousands more dollars to the mortgagors but will keep home owners in debt for the rest of their lives.

The Canada mortgage renewal program in this budget is a program for guaranteed usury, sponsored and encouraged by government. It is no solution at all. The tragedy is that many home owners—and I am sure hon. members know many of them—have no choice but to use the interest deferral scheme. They cannot sell their home without considerable loss, since prices have dropped and there are few buyers. Even if they could sell, where would they live? In most localities there are few rentals available for families, and those that are available have very high rents. There are long waiting lists for co-op housing which the government did nothing to increase in this abominable budget.

I want to illustrate the hopeless situation that a family of four in my riding of Vancouver East finds itself in today. This family has an income of about $30,000. The head of the household came from Calgary to Vancouver East in 1980. He is the principal of a local school and had saved $25,000 for a down payment which he put on a very modest three-bedroom home. He took out a $68,000 mortgage for the balance at 13 per cent and is paying $774 per month. Although that represented a little over 30 per cent of the gross family income, they could manage it. His wife has to remain at home because she has a very small infant to look after. On November 1 this year the family was forced to renew the mortgage at 22 per cent. This shot their mortgage payments up to a phenomenal $1,248 per month, or over 50 per cent of their gross income. I wish the minister was in the House because I think his own mortgage is at 14 per cent.

Because the family had used their savings for the down payment, they have equity in their house and therefore will not qualify for a government grant. Yet even with an income of $30,000 per year, this family will not have enough left in the budget for food with an increased mortgage. They allocate $320 per month for food, and of course they cannot make it on that. They will probably have to arrange to defer interest of $250 per month through this Canada mortgage scheme. They will not get this as a grant because they have equity in the house. This still leaves them with $1,000 to pay, or close to 40 per cent of their income. A year from now they will lose the $250 deferral arrangement and will go to the maximum rate. In addition, the deferral amount will be added to the principal so their debt load will increase rather than decrease.

This mortgage deferral scheme offers nothing to this family, Mr. Speaker, and I am afraid that is pretty typical. Perhaps the rates are not quite as high in some other cases but the penalties will certainly hold true for most hardship cases across the country. Recently this man said he works harder and harder and gets less and less. He thought that he would probably have a better chance buying a lottery ticket.

I should like to quote from a statement by Jack Munroe to the IWA regional convention held recently in Vancouver. He said:

> About 10,000 IWA members from B.C. (8,000 spouses, 18,000 children) have lost their livelihoods as a direct consequence of the staggering interest rates imposed by Canadian and U.S. federal governments. Some have lost their homes, and virtually all are paying hundreds of dollars per month more for their mortgages or rents. For a principal of $50,000—modest in light of B.C. housing prices—renewed September 1, 1980, for one year, the increase alone in interest charges effective this September absorbs $3.20 per hour in pre-tax earnings if the borrower is lucky enough to work full time. Negotiated wage increases are ranging from $1.25 to $1.90 per hour.

The Minister of Finance complained about wage increases. What does he expect when workers have to face this kind of expense? As my hon. friends says, they are working for the banks.

Only $35 million has been allocated for the mortgage deferral grants this year. It is a mere pittance and will not meet the needs of the 40,000 people whom the minister himself said are in danger of losing their homes. Many people will not qualify for the grant even though they cannot afford to live on their incomes. Any way you look at it, Mr. Speaker, it is an inadequate answer to mortgage problems.

We in the NDP do not agree with Liberal budget proposals to deal with the critical mortgage interest problem. Mortgage interest deferment adds to the total debt load of the home owner. As with the AHOP disaster, it is based on a faulty assumption that incomes will go up after a year when, in fact, we know that real incomes for most workers hardly keep pace with inflation. It places no obligation on financial institutions

to share the load and, indeed, adds to their long-term profit margin. This is what the minister has tried to do in his budget. While it may lessen monthly mortgage payments temporarily for a few home owners, it merely postpones the agony for another year. The Minister of Finance should not have listened to the banks. This is no real solution; it is a seduction by the banker.

For some months we in the NDP have been saying that the only solution to high mortgage rates for both home owners and landlords is positive government intervention. Mortgage interest rates should be removed from the risks and costs of a fluctuating interest rate policy. Stable, long-term mortgages should be reinstated. We used to have them through CMHC. This should again become a direct function of CMHC.

We have advocated, as my leader repeated yesterday, a freeze to maintain present mortgage interest rates for six months. During this period the government should bring in legislation to reduce interest rates for mortgages to the rate of inflation, at about 13 per cent or 14 per cent. We believe that affordable shelter is an essential commodity, a human necessity, which must not be subject to the exploitation and manipulation of the marketplace. That is the philosophy of both the Conservatives and the Liberals.

We also urge that there be controls on speculation in the housing field and an opportunity for young families to get into modest starter homes at 30 per cent of their incomes. This is a government responsibility and a bank responsibility.

The Minister of Finance talked about equity in tax reforms yet he took no steps in this budget to increase the capital gains tax on housing speculation, nor did he bring in an excess profits tax on banks. The NDP recommends that 100 per cent of the profit derived from the sale of properties which are not the primary residence of a home owner should be taxed. This capital gains tax would discourage the kind of speculation which caused extreme jumps in house prices in markets such as Vancouver. It would also avoid dramatic price slumps and the tragic losses which some people face today when they have to sell their homes at drastically reduced prices. Many people in my city, if they are forced to sell their homes, will lose everything they have paid into them because prices have slumped so much.

● (1700)

I want to briefly speak about housing starts and their relationship to jobs—no news to anyone in this House, I hope. However, the budget ignores the fact completely that there are spin-offs for workers and spin-offs to the economy generally when we have a healthy housing industry. Unfortunately, because of high interest rates, housing starts in Canada are predicted to fall to 135,000 in 1982. We need at least 220,000 simply to keep up with housing needs, let alone make up for the reduced starts in the last few years, the lowest level in recent history. Not only will it leave Canadians desperate for a place to live, but it will also contribute to the present mass unemployment that we have in the lumber and construction industries.

Ten thousand IWA workers are laid off today because of the lack of housing starts in Canada and the U.S. The plywood industry alone can bring thousands of jobs to Canadians if it is expanded for Canadian housing. It is predicted that unemployment will go as high as 100,000 workers laid off and lining up for unemployment insurance benefits at this time next year. Those lay-offs will be directly related to the high interest policy of this government.

The housing programs in this budget will help to build only 15,000 units of rental housing, which will be a mere drop in the bucket. It is good as far as it goes, but a government policy is needed to lower mortgage interest rates so that we can build at least 250,000 new homes. This is the minimum required for Canadians each year.

I would like to quote from a statement given by the Canadian Council on Social Development at a press conference this morning:

> The treatment of low-income people in the budget is a complete disappointment . . . They have ignored the plight of over 500,000 families who pay more than 30 per cent of their gross income for rents.

The most serious housing problems, of course, are in the rental field. We think it is bad for home owners, but it is much worse for tenants. This was confirmed in the minister's CMHC report which he signed and forwarded to the cabinet; yet he has done boom-all about it in trying to persuade the Minister of Finance to put some teeth in this budget. Many tenants pay well over 60 per cent of their incomes on rents, and they have little security of tenure. Over 50 per cent of Canadians will remain tenants all their lives. This is a lifestyle which is now here to stay. High mortgage interest rates have been a major deterrent to rental construction as well as to housing starts. As a result of zero vacancy rates in many of our major cities from coast to coast, rents have skyrocketed and rent controls are ineffective in most cities. I might say that the minister responsible for CMHC favours doing away with rent controls.

What does this budget do to relieve the situation? Does the government introduce plans to lower interest rates? We know that it does not. This would, of course, encourage rental construction, and rental construction where we could be sure there would be adequate rent controls. Does the government increase the budget for non-profit and government-owned housing? Of course it does not. The only solution that we have is this program for low income and moderate-income families. Did it bring back programs to help land banking and to service cheaper land? That was another omission, as I mentioned earlier.

In this budget, the government offers no-interest loans of up to $7,500 per unit to stimulate some 15,000 rental units over the next two years. This hardly meets the demand in Vancouver where we need 20,000 units right now, today, let alone the rental needs for construction across Canada. Government loans should be applied only to rent control housing. It is essential that investors not be allowed to sell off subsidized rental stock as condominiums. This is what was done with MURB construction. Built into that program, we must be sure

that the minister is requiring that these remain affordable rental units.

I congratulate the Minister of Finance, who is also not in the House, for at least removing MURB tax write-offs. Once again, he overruled the minister for CMHC, who has been extolling the virtues of MURBs for the last year. He wanted tax write-offs for multiple unit residential buildings. Perhaps we can be modest and say that our continued criticism finally got through, at least to the Minister of Finance.

The government lost $45 million in MURB tax write-offs last year, and it gained very little increase in the stock of affordable rental housing as a result. It is true that it got some luxury apartments, and today in the House we heard that they are the kind which are going up because construction people rush to try and take advantage of MURBs. However, affordable rental accommodation was usually demolished in order to build MURB-type luxury apartments. This was no solution.

There are a number of very positive steps that we in this party feel should have been taken and could have been taken to improve the housing situation if this government only had the will to change its priorities. Most housing developments have spin-offs to create more jobs and reduce lay-offs in our building trades and our forest industry. We have the trees, we have lots of skilled tradesmen and skilled labour, and we have a desperate need for housing. What we lack, of course, is government initiative and long range planning.

The priorities of this government's budget are all wrong. How can the minister justify increased expenditures for defence? I hope hon. members in the House will listen to this. Defence expenditures will increase from $5.9 billion this year to $9.8 billion over the next five years. There is a five-year plan for defence, but there is not even a two-year plan for building. The minister allocates only $350 million for housing compared to $5.9 billion for defence. Why does the minister responsible for CMHC not come into this House with a five-year plan for housing with some teeth in it, such as the Minister of National Defence (Mr. Lamontagne) must have done for his department?

Housing is a social investment; it is not just a welfare program. We are investing in permanent structures for people. It is an essential commodity and a human necessity. Surely Canadians have the right to expect a decent, affordable place to live. Surely our country can afford to invest in housing if we can spend $9.8 billion on defence in one year.

The New Democratic Party will continue to press for the following housing priorities which we believe Canadians need and deserve. First of all, concerning interest rate policy, the government should freeze mortgage renewal rates, not subsidize increases. Legislation should be introduced immediately to require stable, long-term mortgages with interest paid at the rate of inflation. CMHC should get back into the direct lending field and financial institutions should be required under the Bank Act to establish an affordable mortgage lending portfolio.

Second, we need long-range planning. CMHC should, of course, come in with a five-year plan for housing development based on population movements to the areas of growth where we have the greatest housing problems. We have problems across the country in urban centres. It is interesting to note that most of the immigrants also settle in the urban centres which have the lowest available housing and a zero rental vacancy rate.

We should also be thinking of the increasing number of young people, documented in the budget papers, who are forming households and need homes. There should be integrated planning with other government levels. This is absolutely essential. There should not be little trips out to see the different ministers of housing to talk about mortgage referral; there should be real, comprehensive planning which will involve land banking and housing programs for the future.

Concerning land for housing, federal and provincial Crown lands should be assessed, released and serviced for affordable housing developments. We have land. We could trade some of it off, in certain areas, for land banking programs which are absolutely essential. Along with that, we need long-term leasing policies which are desirable to retain affordable housing in the future. This is a social investment; it is not a giveaway.

● (1710)

With respect to native and northern housing, the federal government must assist with infrastructure and servicing costs on Indian reserves and in the remote areas of our country. It must provide adequate funds for new housing and home repairs. Assistance should be given for home repairs, renovations and energy conservation. RRAP funding should have been increased by this budget and the funding spread more widely. However, the money in the home insulation fund for this year should go first for reparation purposes to urea formaldehyde insulation victims. These people should be compensated and given first priority in this year's budget. This assistance could come from the allocation for CHIP or RRAP. As I have already mentioned, rental and co-op housing is another priority of the New Democratic Party which must be adequately financed by CMHC.

Canada Mortgage and Housing Corporation financing should be beefed up. The level of financing should return to at least the 1976 amount, which was $1.8 billion. They need to decentralize operations and give practical help to home builders and non-profit developers so they can build and repair affordable housing. We hope the minister responsible for CMHC will somehow develop a conscience and show real leadership when he presents the proposed revisions to the National Housing Act. Palliatives for the minister's real estate friends are not enough. Canada needs and deserves a long-range plan for housing development with policies and a budget to support it. This is the time when the Liberal government must recognize that affordable housing is a social right for all Canadians. This is a mean and regressive budget and Canadians deserve better.

The Budget—Mr. Herbert

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my remarks on the budget presented in the House last week by the Minister of Finance (Mr. MacEachen) will concentrate on fiscal transfer payments to provincial and municipal treasuries and also to groups and individuals. Particular emphasis will be placed on the extent to which the province of Quebec and all Quebecois directly benefit from federal funding paid from the taxes of Canadians in all provinces.

First, I have a couple of general observations. The Minister of Finance can certainly be said to be following a policy of moderate fiscal restraint. Faced with the possibility of a downturn in the economy and the obvious need to reduce the government's deficit, it was difficult to introduce new spending programs. To have undertaken an expansionary budget when inflation is so strong would have been irresponsible. Inflation is the key obstacle to achieving sustained improvement in growth, employment and living standards. A reduction in the deficit will relieve some of the pressure on monetary policy and interest rates and will create a climate conducive to lowering inflationary expectations.

Nevertheless, many Canadians are facing real hardship caused by high interest rates, inflation and unemployment. Those hardest hit have been home buyers, farmers and small businesses. Budgetary measures to alleviate hardship have been targeted at these groups.

For most taxpayers the federal tax will be reduced. Those who have been enjoying tax breaks and preferences will no longer be able to escape paying taxes as they have in the past. All Canadians will be treated equally. This is just and fair.

Members of Parliament have been receiving representations from groups expressing their fears that a cut in federal fiscal transfer payments to the provinces would result in cuts in the amounts that the provinces provide for various programs such as hospital and health care, social services and post-secondary education. It has always been my point of view that, even though these programs are administered exclusively by the provincial governments, a major part of the necessary funding should come from the federal treasury. I will be explaining later why I believe in this approach.

However, I saw no logical reason for a continuation of the revenue guarantee payments that were started in 1972 and I expressed this opinion to the Minister of Finance in an open letter in August of this year. The elimination of this payment, now contained in the budget, will reduce spending next year on this item alone by over $800 million.

Let me hasten to add that this does not mean less revenue for the provinces. As a result of the closing of the tax loopholes, the nine provinces which tie their personal tax system to the federal collection will receive additional revenues from personal income tax.

Mr. Jacques Parizeau, the Quebec Minister of Finance, has long maintained that the federal tax loopholes should be closed. If Mr. Parizeau now follows the federal example, with which course of action he is already in agreement, then Quebec's provincial personal tax revenues will also increase, thus counterbalancing the ending of the revenue guarantee payments. While the federal government will realize savings of $915 million in 1982-1983, provincial and territorial revenues will increase by $1,084 million over the same period as a result of tax changes proposed in the budget.

I also suggested in my letter to the Minister of Finance that the present method of calculating equalization payments to the less wealthy provinces be revised. The system is antiquated and inequitable. Now the method is to be changed.

A vast number of programs that are exclusively the responsibility of the provinces are financed by huge federal transfer payments that put tens of billions of dollars into provincial treasuries. In every province, block funding or per capita payments are the cornerstone of support for health care, medicare and hospitals. In the case of post-secondary education, our universities receive well over half the moneys they spend from the transfer of federal funds. In other programs, tens of millions of dollars are transferred to the provinces to provide subsidies for projects ranging from public transportation to financial support for sewer and water works.

The Canadian government has provided three-quarters of the total of government grants for hundreds of municipal projects. For example, in the constituency of Vaudreuil, a large arena at St. Polycarpe and magnificent municipal libraries at Pierrefonds and Ile Bizard have been built thanks to federal funding.

Rent subsidies for low-cost housing are shared by the federal and provincial governments, and in many of these projects the federal government has provided all or most of the financing or has provided a guarantee for the mortgage. In many cases the mortgage was provided at extremely low or subsidized interest terms.

A variety of other programs, for example, contributions for the development of provincial historical sites, have resulted in transfers into provincial treasuries with no requirement that they be detailed in provincial accounts, and accordingly with no accountability and almost no visibility. Federal transfers of funds are certainly not made exclusively into provincial treasuries. Municipalities receive considerable sums from the federal treasury in lieu of taxes. While almost all municipalities have a federal institution, such as a post office, many receive a financial benefit that is certainly far in excess of the cost of any services received in return. This is particularly true in the constituency of Vaudreuil at Ste. Anne de Bellevue, where the magnificent veterans' hospital is located, and at Rigaud, where there is a huge national revenue complex.

While mentioning these federal complexes, we should not forget the direct benefits the local communities derive from this practical decentralization of the federal presence. The number of federal departments represented is certainly not limited to the post office, veterans affairs and national revenue. Again, in Vaudreuil it includes such variety as a fisheries research station, a Parks Canada national historic site and federal offices of other government departments. All contribute directly to municipal revenues, provide employment and help to stimulate the provincial economy.

A great number of other institutions that are considered a provincial responsibility are supported by federal funds, such as municipal and provincial museums, and there are capital cost grants for hospital construction. Subsidies are provided for housing for veterans and for tourist information centres. Funding is made available for the construction of underpasses, such as that at Dorion in my riding where such a tragic accident occurred so many years ago. More recently the underpass has been constructed at Ste. Anne de Bellevue, and funds are now being requested for an underpass at Terrasse Vaudreuil. All this massive federal funding I have mentioned so far is made available across this country on a per capita basis; that is, according to provincial population.

● (1720)

Now I want to turn to those programs that are of special benefit to the province of Quebec. The largest in dollar value is the equalization program, the unconditional transfer of federal taxes into the Quebec provincial treasury that has contributed in this one program alone some 10 per cent of Quebec's revenue this year, or over $1.7 billion. This generous sharing of Canada's wealth is to be enshrined in our new Constitution. Fifty per cent of the moneys distributed under the equalization program go to Quebec. Also, huge sums go into the provincial treasury to support second language instruction. Quebec is again the major beneficiary.

Support for industry as well as provincial works from the Department of Regional Economic Expansion is concentrated in Quebec as a targeted area for funding. The winter works programs of the Department of Employment and Immigration are also most heavily funded in Quebec, where the levels of unemployment are greater than the national average.

While speaking of unemployment, in large measure accentuated in Quebec by the uncertainties created by talk of separation and problems created or fostered by Bill 101, I would like to underline another benefit of national sharing. While contributions to the unemployment insurance fund on a per capita basis are approximately the same across this country, this is not the case when one looks at the benefits paid out. In 1979, for example, payments per capita in Quebec were over $240 while payments were less than half this figure in Ontario, and only one-quarter or $60 per capita in Alberta. For every $3 contributed in Alberta, only $1 is paid out. In Quebec $3 is paid out for every $2 contributed. One cannot be proud of high unemployment, but Mr. Lévesque should not forget that the unemployed who cannot find jobs because of a lack of investment are receiving benefits that are paid in large measure by contributions from other provinces.

One can argue as to the reasons for the high unemployment in Quebec, but there are other groups of citizens in Quebec who receive a higher level of financial support than the national average. There are more persons receiving more money from the guaranteed income supplement of the old age security program. There are also more widows between 60 and 65 receiving the spouse's allowance. This is an historical characteristic that is financed by federal dollars.

At the other end of the scale, daycare centres, which are financed 50 per cent by the federal government under the Canada Assistance Plan, receive 2.5 times as much per capita in Quebec as their counterparts in the neighbouring province of Ontario.

I want to make reference to two other major support programs of particular benefit to Quebec residents. The first is the federal energy program that subsidizes the imported oil used in the province of Quebec. This ensures that Quebec car, truck and bus drivers pay no more for their gas than is paid in the western oil producing provinces. Likewise, the home owner and apartment dweller can heat their residences with heating oil heavily subsidized by a federal program. This federal financial support is Canadians sharing with Canadians and would certainly not continue in the event that Quebec separated.

Of special benefit to Quebec and to farmers in the constituency of Vaudreuil are the millions of dollars that subsidize the dairy industry, which is the backbone of the Quebec farming community.

All these programs, equalization, language training, energy subsidies, daycare centres, pensions, unemployment benefits, winter works programs, milk subsidies and many others, bring to Quebec residents federal contributions far in excess of any amounts that would be calculated solely on the basis of population.

The federal government has not touched any of these programs that are of special benefit to Quebec, despite the heavy pressure to reduce the deficit by reducing spending. In the past it has been Quebecers who have been able to contribute to the prosperity of our country. In the future it will again be the turn of Quebecers to play the part of big brother and to help those less fortunate. But today, faced with a climate of economic uncertainty that has been fuelled by talk of separation, Quebecers are able to share and participate in the benefits that flow from our federal system of government.

I would like to discuss another of the major benefits of the federal system of government in this great country of ours, the equalization that comes from a national system of tax collection.

Everyone is aware of the higher level of provincial taxation that is applicable in Quebec. A Quebecer, this year, pays on a $15,000 taxable income a marginal tax rate 30 per cent higher than the Ontario resident. The higher the taxable income, the greater is the amount that a Quebecer must pay in provincial income tax. Thus many high salaried Quebecers who have the option available to them have moved to Ontario. Airline pilots are an excellent example. Quebec loses not just the tax difference but the total provincial tax that would have been paid. In addition, of course, the economy suffers from the reduced buying of furnishings, food and services when a high salaried person moves out. Fortunately, the individual who moves to Ontario still pays the same federal tax and the moneys contributed help to pay for the programs that benefit all Quebecers.

The tax base is smaller per capita in Quebec than in Alberta, for example. Because everyone pays federal income tax on the same scale, Albertans, whose average salaries are higher, make a bigger contribution to the federal treasury. However, the distribution of federal funds either treats everyone alike, such as is the case with medicare and post-secondary education funding, or it favours the less wealthy provinces, such as with equalization, unemployment insurance payments, work programs and regional economic expansion funding. Thus a federal system shares not only in the way it spends, but also in the way it collects taxes.

Incidentally, it may be of interest to Quebecers to have the precise figures on the amount of the reduction in federal income tax payable in 1982 attributable to the budgetary measures introduced last week. A family of four persons with one wage earner would pay $425 less on an income of $15,000, $463 less on an income of $20,000, $538 less on $30,000, and the reduction would be $798 in the case of the head of a family of four earning $50,000. In Quebec this year, provincial revenues fall well below provincial expenditures despite a massive input of federal funding. It is not an exaggeration to suggest that if Quebec were not a full partner in sharing Canadian wealth, it would be facing bankruptcy.

• (1730)

Can we not be proud that the provinces that have the least to lose from federal program cuts are so willing to continue to share their good fortune with their fellow Canadians in other parts of the country? These are the same provinces, ruled by Tory governments, that have deplored the federal deficit, but not one provincial spokesman has suggested program cuts that would directly impact the already hard-pressed and less wealthy provinces.

I want to turn, for a few minutes, to the question of what impact the budget will have on the individual. It is true, for example, that a doctor who earns $100,000, using tax shelters to the full, could now be paying $23,000 more in taxes. But it is equally true that the doctor with the same $100,000 income who was not using tax shelters will pay $5,000 less in taxes.

Some 12 million taxpayers will pay less and 800,000 will pay more. Almost all those earning $30,000 or less will pay less income tax as a result of the budgetary measures.

The Minister of Finance has attempted to make far-reaching budgetary reform of the personal tax system. A system which allows persons who earn $100,000 without having to pay a cent of income tax needs a radical overhaul. One columnist wrote, "They skipped, and slipped and slithered and hopped their way through tax loopholes."

I believe in equity, equality and fairness and I applaud the move by the Minister of Finance to end the tax shelters that were mostly of benefit to the high income individuals.

As the details of this budget are discussed, undoubtedly some minor inequities will be found and if past experience is any judge, modifications will be introduced. However, the broad principle of equitable treatment has been established and will be maintained.

While I can understand and be somewhat sympathetic toward the arguments of the members of the New Democratic Party, I have neither understanding nor sympathy for the Tory response. They indicated the continuing inconsistencies in their criticisms when they supported the New Democratic Party subamendment on Monday evening.

Some hon. Members: Hear, hear!

Mr. Herbert: In summary, Mr. Speaker, I wanted to see the federal deficit reduced but not placed on the backs of the provincial governments. The reduction in government borrowing resulting from a lower deficit will reduce the pressures on interest rates, ease the inflationary pressures and, to some extent, ease the borrowing problems of the business sector. I wanted to see a commitment to continue federal financing for health care, medicare and post-secondary education. I felt particularly that the present activities of our universities were threatened. I wanted to see an end to the revenue guarantee and I wanted a revision to the method of calculation of equalization payments.

The Minister of Finance has chosen an appropriate level of restraint during a difficult period when it would have been easy to loosen the purse strings. I have no hesitation whatsoever in expressing my full approval of the budgetary measures introduced in the House by the Minister of Finance last Thursday evening.

Mr. D. M. Collenette (York East): Before I begin my remarks, Mr. Speaker, I would like to thank the hon. member for York-Peel (Mr. Stevens) who agreed to speak after the dinner recess so I could speak at this time.

Two of the main themes in the budget as laid out by the Minister of Finance (Mr. MacEachen) were restraint and equity. If restraint and equity, as prescribed in the budget, can be achieved together with the economic development strategy outlined by the Minister of Finance in the document that accompanied the budget, then this will form the basis for economic renewal.

I wish to deal with the first two themes in the context of the fabrications of the official opposition, particularly the fabrications contained yesterday in the speech by the Leader of the Opposition (Mr. Clark). We know that the central theme of the budget, which is to restrain government expenditures in order to reduce the borrowing of capital, is crucial to the government's strategy. A reduction of government expenditures will assist private sector borrowing by reducing pressure on credit markets and therefore easing interest rates.

The government estimates that the deficit will decrease from $10.1 billion in this fiscal year to $5.5 billion in the fiscal year 1983-84. This is indeed a laudable achievement and one for which I am sure the official opposition would be pleased to take credit if it were the government. The official opposition has been harping away for many years on the need for the government to pare its expenditures and operate in a more businesslike way. The government is doing this but in a way which restores and safeguards equity in the economic system.

In his speech yesterday, the Leader of the Opposition made what I consider to be an incomprehensible assertion: that there is no evidence of restraint on the part of the government and that government expenditures are growing by 22 per cent this year while revenues in the next two years will be up by about 52 per cent. Those assertions are not borne out by fact. These falsehoods expressed by the Leader of the Opposition were compounded when he further stated that the energy taxes this year will be up by $4.2 billion.

I would like to set the record straight. The increase in government expenditures and revenues this year and next reflect, on one hand, an increase in public debt charges and on the other hand, energy revenues. Government expenditure restraint is real and federal financial outlays, excluding public debt charges, are expected to grow by 11.9 per cent in 1981-82 and 11.1 per cent in 1982-83. This is less than the growth of the GNP, and this must be emphasized. Furthermore, compared with last year's budget, the total outlays as a share of the GNP are lower in each year of the fiscal plan to 1983-84. The drop in the share of outlays, excluding public debt charges, is particularly dramatic. It is true that energy revenues do grow $3.7 billion from 1981 to 1983 but not by $4.2 billion as asserted by the Leader of the Opposition. Moreover, it is misleading to suggest that this growth in energy revenue provides a significant reduction in the deficit. In fact, compared with energy revenues in last year's budget, energy revenues are down by $.7 billion in 1981-82 and up $0.9 billion and $1.5 billion in 1981-82 and 1982-83 respectively.

The Leader of the Opposition, who should be pleased that the government is restraining its expenditures, made another false accusation yesterday when he stated that as a share of the GNP, federal revenues are the highest since 1946. Again, this is just not true. Federal revenues on a national accounts basis accounted for 21.9 per cent of the GNP in 1946, and in 1981-82 revenues account for 20.9 per cent of the GNP. In the year 1982-83, they will be 21.2 per cent of the GNP.

A proper way of examining the extent of government activity is on a public accounts basis. Only net petroleum compensation payments and the government contribution to unemployment insurance benefits are recorded as budgetary expenditures to the extent that they are direct subsidies and transfers. Budgetary revenues declined from 18.7 per cent in 1974-75 to 15.7 per cent in 1980-81 as a result of discretionary tax decreases over this period. Over the course of the fiscal plan, revenues will rise to 17.2 per cent of the GNP in 1982-83 and remain at about this level to 1985-86. The burden of taxation is less than it was in the 1974-75 period.

That was a period, it should be remembered, that was marked by lower deficits than they are at present.

● (1740)

Another point that the Leader of the Opposition made yesterday which must be refuted is that essentially this is a recessionary budget. He maintains that because the budget documents show weak growth in the United States. A pre-condition to renewed growth is a sustained permanent reduction in inflation. The strategy of deficit reduction and lowering of inflation and interest rates is intended to be pursued over the medium term.

In the short run, if the economy is somewhat weaker than assumed, the easing of interest rates will proceed more quickly. The pace of deficit reduction will proceed more slowly in response to the slowing of economic activity. I am confident the fiscal position is on track. It would be a mistake to try to fine tune the economy in response to one or two months of economic indicators.

I thought it useful to set forward those facts to refute some of the very questionable, erroneous and misleading assertions made yesterday by the Leader of the Opposition. One should not be surprised that he would twist the facts, read selectively from the budget documents and play on the fears of Canadians because he has been doing this for the last five years. Canadians are on to his game. Hopefully they will not be misled. Nevertheless it is important for those who are led down that path by him that the record be straightened.

I want to deal with the other theme of equity at more length in the context of the housing problem that we have in this country. In the government's programs of the last few years we have seen the Liberal approach, the approach of fairness and equity, being applied to housing contruction. It has been acknowledged by the OECD and other reputable outside analysts that Canadians are remarkably well housed. One has only to travel abroad, to European countries where economic growth is still high, to see that housing conditions there do not compare with those in our country.

I want to deal more particularly with the whole question of who should receive help in terms of mortgage assistance. Who in society should receive help, those who have mortgages on their homes or the renters, or a mix of both?

A lot of wild assertions have been made in this House in the last while that the government was not responding to the crisis being brought about by high interest rates. All of us on this side lament the high interest rates we have seen in August and September. It should be emphasized that these were of a temporary nature. The basic rate, the Bank of Canada rate, has dropped about 5 per cent in the last six weeks. It will drop even further if the measures outlined in this budget come to fruition. Inflation will be lowered and more economic activity will ensue.

I have been somewhat vexed in the last while. I have come to the House of Commons each day. I have heard wild allegations being made by members of the NDP and the Conservative Party about the need to assist those with mortgage renewals. Only four people in my constituency have come to me expressing those fears which the opposition asserts are rampant in the country.

One was a small-business man whom I know very well. Unfortunately he has suffered because of the high interest rates in his mortgage brokerage business. The other was a home owner whom I have known for many years. He admitted that he and his wife did anticipate that rates would not

increase, that they were out a little in their calculations, but they were prepared to make the lifestyle adjustments to accommodate the short-term surge in interest rates. Unfortunately, they renewed their mortgage at 22 per cent. As I said to him, when rates come down, if you have an open mortgage you can renegotiate rather than be locked in to these exorbitant rates for three or five years.

The impression is being given by the opposition that those who are renewing mortgages today at 20 and 22 per cent will be locked in and will suffer in the years ahead. Granted, there will be some short-term dislocation. That is the unfairness of the system of mortgage financing in this country. Some people who have had to renew their one, three or five-year mortgage in the last couple of months have really been dealt a heavy blow by the high rates.

The question has to be asked whether it is the government's obligation to subsidize people across the board, to give blanket subsidies for mortgages. Listening to the official opposition and the NDP, one would assume they want everybody in this country subsidized. My question to them is, who will pay for the subsidy? I will tell you where the revenues will come from. They will come from the ordinary taxpayers, many of whom do not have mortgages. Many are retired and their homes are paid for. Many are new Canadians who perhaps tried to pay off their mortgages in a short period of time. These are the people who will be paying for an across-the-board subsidy.

What about the renters? Half of those in my constituency in metropolitan Toronto live in rental accommodation. Would it be fair or just to expect those people from their general tax revenues to subsidize mortgage rates, as proposed by the leader of the NDP (Mr. Broadbent) who advocated the government should subsidize the spread between 15 per cent and the actual mortgage renewal figure? I could not look my constituents in the eye and say to them that is fair, equitable and just.

Who should we subsidize? Who should we help? The government said in the speech from the throne that assistance would be forthcoming. If you read the budget documents, there is no doubt that that promise has been discharged. I have no compunction or hesitation in telling my constituents that we have sheltered those Canadians who are on the verge of losing their homes.

That is what the minister responsible for housing has been saying in the House these past few weeks. He has been pilloried unfairly, unmercifully by the opposition in a callous way. They have been misrepresenting what he has been saying, twisting his answers. That minister has shown more compassion, sensitivity and understanding about the social needs of Canadians than will ever be shown by the likes of those characters on the other side.

That minister has suffered day in and day out. I say, and my colleagues agree, that that minister has shown compassion. He has fought long and hard for assistance for those who are in dire straits. He has delivered in this budget because this budget will help those who are in the direst of circumstances, those who but for this budget would be out on the street. I believe the criticism directed at the minister is totally unjustified and is not one of the most pleasant things I have heard during my time as a Member of Parliament.

● (1750)

Is it the responsibility of the government to subsidize people across the board? Is it the duty of the government to subsidize the needy? Or is it the duty of the government to subsidize everyone irrespective of their lifestyle? Indeed, is it the duty of the government to subsidize lifestyle? I say, no. The Tories always talk about self-reliance and about standing on one's own two feet. There is an obligation that people have today when they enter into the purchase of a home. Surely they have an obligation to look at their own financial situation; how much money they have in the bank; how much is their down payment; how much their repayments will be on a monthly basis. Is it not also their obligation to foresee a downturn in the economy? Recessions are not new. Downturns in economic activity are not new. The people I described earlier, the seniors in my constituency went through the depression and have paid for their homes because they knew the good times could not always last. They knew that the carousel sometimes has to slow down. That is what has happened in the last few years. There are many who did not have the foresight to recognize the realities and uncertainties of life in general.

This government has ruled most of the past twenty years. We have seen some of the most prosperous economic growth in this period. We would like that unbridled economic growth to continue in the future. When we observe other countries we realize that we cannot deliver at the same level that we have been used to in the last twenty years. There has been some levelling off. We must now stop and regroup our economic policies and proceed forward and lay the foundation for economic renewal for the years ahead. That is what this budget addresses.

There is another side to the housing crisis in this country. There are legitimate problems, but the word crisis is used indiscriminately every day in the House. I do not really think Canadians take to heart these hyperboles from the opposition that are littering the carpet of this chamber every day.

Another issue with respect to housing is the amount of rental accommodation available. It is not a problem across the board. It is a problem in selected high growth areas. I should like to refer to the speech the Leader of the Opposition made yesterday. It can be found on page 12795 of *Hansard*. The Leader of the Opposition made his plaintive lament for renters who, he claims, are injured because of this budget. He was following up on a theme that was started by the member for St. John's East (Mr. McGrath), in his usual hysterical way, concerning the MURB program.

What did the Tories do for renters in this country when they ruled in 1979, in that hilarious hiatus, that brief fleeting moment, that incalculable interregnum of despair? What did they do for renters? I will tell you what they did, Mr. Speaker. They introduced a mortgage tax deductibility scheme. This would have raked the federal treasury of three or four billion

dollars. This would have to be paid for. Who would pay for the three or four billion dollars? It would be the general taxpayer. It would be the revenues from the renters in my constituency that would bankroll an extremely unfair mortgage tax scheme, and that would benefit only those at the upper end of the income scales.

The member for Burlington (Mr. Kempling) is leaving the chamber because he cannot face the music. The hon. member was part of that diabolical scheme that, luckily enough, did not see the light of day. The Conservatives are now ridiculing us. It was the Tories who demonstrated their feelings for renters. They care for renters in the same way as they care for everyone: looking after the privileged first and the poor and ordinary Canadians last.

What about their brethren in the province of Ontario who are about to lift the lid on rent controls? They would do so in one callous, uncharitable move. This has been predicted. They are trying to skate around it and not break their election promises. However, they will lift the lid on rent controls. Thousands of people in this country, in our province in particular and in metropolitan Toronto, and perhaps even hundreds in my constituency in York East, will be forced into the street. This is the Conservative philosophy. It does not matter whether one is a provincial or federal Tory. The Conservative philosophy is at least consistent, and that is, "to hell with the weak guy, let him fend for himself and we will look after number one, we will look after the tough people, the strong people".

Some hon. Members: Hear, hear!

Mr. Collenette: That is why they are now objecting. How about their attitude towards the MURB program? In the last few days hon. members have been complaining about the program. Yesterday the hon. member for St. John's East wept his river of Newfoundland tears and complained bitterly about the MURB program. It has to be remembered that the MURB program has been used by many as an artful tax dodge to erect luxury condominiums in such places as Victoria, Vancouver, Toronto and Ottawa. It is this kind of attitude that is denuding metropolitan Toronto of decent, affordable housing for its citizens. It is forcing the average people of metropolitan Toronto to go out to the suburbs to take what is left over, while all the white painters, all the artsy crowd, all those with money in the bank, all those who can write off everything in their incomes move back downtown into condominiums that cost between $150,000 and $400,000 for a two bedroom unit in a constituency like Rosedale. What does the hon. member for Rosedale (Mr. Crombie) have to say about that? Where has he been in the last couple of days? The hon. member was not present in the House when the budget was introduced. Do you know why he was not here, Mr. Speaker? He could not stomach what the hon. member for St. John's East said about the MURB program. The hon. member knows what these tax dodgers will do. They will drive out affordable accommodation in ridings like his. The member for Spadina (Mr. Heap) is present in the House and is unresponsive in this matter. The hon. member knows that I am speaking the truth with regard to this matter.

Some hon. Members: Hear, hear!

Mr. Collenette: I should like to tell hon. members more and I am getting wound up. However, I do not want to deny members their dinner period.

Tory economics is Reaganomics, Thatcher economics. We have made tough decisions with regard to this budget, but we have kept the basic social programs, the underpinning of the economic system in this country, intact in tough times. I lament the laying off of people at Massey-Ferguson Industries Limited. But they will be protected because there will be unemployment insurance. Their pensions are indexed, their family benefits are indexed. These are Liberal programs. Those are Liberal economics.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at six o'clock, the hon. member for York East (Mr. Collenette) had the floor. I presume he has finished his remarks, so in his absence I will recognize the hon. member for York-Peel (Mr. Stevens).

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in rising to speak on the budget I do so with very mixed feelings. Certainly I have had an opportunity to hear the Minister of Finance (Mr. MacEachen) in his budgetary address to the House. I heard certain ministers add further governmental comment to the budget. I should like to try in a fairly neutral fashion to put the budget into proper perspective. I say that because I was rather startled today to hear the Secretary of State (Mr. Regan) say that he felt he should compliment the Minister of Finance on the budget. Presumably it is not just the Minister of Public Works (Mr. Cosgrove) who did not know what was going into the budget up until the time it was virtually delivered. But obviously the Secretary of State, in order to make that comment in the House, has not even listened and certainly has not read what is in the budget. How anyone could possibly say with a straight face, especially someone from the province of Nova Scotia, that he wanted to compliment the Minister of Finance on the budget, I find hard to understand.

The hon. member for York East (Mr. Collenette) waxed eloquent at the end of his remarks about the evils of MURBs

and why he was pleased that they were finally stricken from the record and presumably would not be available in the future. The hon. member for York East spoke of the debate on the budget of the Minister of Finance in October 1980. As the House will recall, that budget renewed MURBs. In fact it was said at that time that in order to help reduce shortages of rental accommodation and to provide a needed stimulus to the construction industry, the tax incentive for multiple unit residential buildings which expired on December 31, 1979, would be reintroduced effective for construction starts after October 28, 1980. Why were we told by the Minister of Finance in October 1980 that a person is a hero if he puts money in the form of a tax shelter investment into certain types of residential accommodation, only to find that on November 12 that same person is suddenly an enemy of the state, that somehow he has been ripping off society and that the minister feels there is a loophole which he must plug? It is something which no longer holds together. The reason I find it most inconsistent for the minister to take that attitude, as well as presumably other ministers and the member for York East, is that we were told on budget night that it was a budget of restraint, of equity and of renewal. I should like to explore why it is equitable to say that tax shelters designed to give Canadians accommodation are evil and that they must be stricken from the record. At the same time the same government wants to preserve tax shelters for the promotion of circuses such as Circus Tivoli. If it is right to have tax shelters to promote circuses, films and related activities, certainly something must be totally wrong with a government that on the other hand indicates it does not want to see rental accommodations for Canadians built under the same tax shelter plan.

As I go through my remarks, I will be able to cite many examples of the lack of restraint in the budget, despite what the minister told us. In fact, there is no equity and no renewal other than whatever hope the minister might have of renewing his own fortunes in the country as a political animal and as a member of a political party. Before getting into that, I should like to make a special comment about a partner in the government's actions who seems to be almost bashful about taking full credit for what the country is going through at the present time. I refer of course to the fact that it is not only Dr. Trudeau who is prescribing this economic medicine; it is Dr. Broadbent. We have two doctors who are in grand alliance, working in virtual conspiracy as far as the Canadian public is concerned. I believe the Canadian public must be told in no uncertain terms that the rump NDP not only triggered the election of this government, but in truth is working hand and glove with the governemnt in giving us economic irresponsibility.

Mr. Pelletier: Stick to your text.

Mr. Stevens: I heard a Liberal member ask why I called them Dr. Trudeau and Dr. Broadbent.

Mr. Pelletier: No. I said, "Stick to your text."

Mr. Stevens: Anyone who comes from my area of Canada, from Newmarket or from York-Peel, knows what doctor stands for. It is a Ph.D. It means piled higher and deeper.

Having said that, I feel it is important to attempt to get some perspective of where in fact Canada has been going in terms of other economies among western nations. I find this area startling. When the present government took power, Canada was third among world nations as far as the gross national product was concerned. In 1968 we stood third in terms of per capita gross national product in Canada; we were topped only by the United States and by Sweden. You will know how much we have slipped when you read in the World Bank atlas that we have dropped to number eight position. How many on the government side are willing to acknowledge that in the last set of statistics issued by the World Bank we have slipped to thirteenth position among world nations? The nations that on a per capita basis have a better GNP than Canada are Switzerland, Luxembourg, Sweden, Denmark, Germany, Belgium, Norway, Iceland, Netherlands and France.

• (2010)

An hon. Member: Kuwait.

Mr. Stevens: My prompter on the Liberal side says Kuwait. If he wants to add the oil rich countries, then he will find that we rate nineteenth in the world, not thirteenth. I am glad that at least one Liberal member is aware that not only are we behind the industrialized nations that I have referred to but in fact we are nineteenth if you add the various oil-rich countries of the world.

What is most interesting is not just those figures but the fact that if you start examining the relative gross national product figures on a per capita basis, not just on the average in Canada but with respect to provinces in Canada, you find some startling facts.

I referred, to the Secretary of State who comes from Nova Scotia as, of course, does the Minister of Finance. The next time they have an opportunity in this House, I should like one of them to stand up and explain to his people and to Canadians at large why he is content that Nova Scotia should have a per capita gross national product of about $6,200 compared to the gross national product on average for every person in Greenland of $7,990. Why, for example, do the five eastern provinces of Canada, including Quebec, all have a lower gross national product on a per capita basis than Greenland? Prince Edward Island has less than half the gross national product of Iceland.

Instead of being complacent and, if you like, rhetorical, and simply saying, "We are doing well and somehow or other it is a budget of restraint and equity and renewal," I think it is time that the government came to its senses. It is time it realized that it has taken Canada, a prosperous country and one that had great wealth and great earnings, and relegated it to a position well down on the list of prosperous nations of the world.

Let me touch on something else now, Mr. Speaker. When we compare Canada to other countries, I think it is interesting to note the October issue of the *Euromoney Magazine* which has an analysis of the 85 larger western countries. For example, it has what it calls the performance of economies between the years 1974 and 1981.

Canada has fallen to number 30 among the 85 countries listed. In the current year we have fallen still further, to number 39 among the 85 countries listed. I suggest to members of the House that it is time we stood up and said to this government. "We have had enough. This does not have to occur in this country, and we want you to give us a budget which will produce the economy to get prosperity renewed in this country."

Some hon. Members: Hear, hear!

Mr. Stevens: Not only is our economic performance deteriorating, but we find that our credit in the rest of the world has fallen until we are thirteenth among the nations surveyed. We used to be in the upper bracket, in the top five, and now we are number 13, just ahead of Papua New Guinea. That is the Canadian credit rating for the current year and as far as the *Euromoney Magazine* is concerned.

Members on the other side may ask why we blame them, but I find that they are very ingenious themselves when it comes to finding somebody to blame. Surely they will pay attention to one of their own members, the Minister of Industry, Trade and Commerce (Mr. Gray). When he appeared before a committee of this House in October, 1979, he warned that a high interest rate policy would slow down the economy, mean the loss of thousands of jobs, an increase in the cost of living, probably bring the housing and construction industry to a halt with thousands of jobs lost in those sectors, put housing beyond the reach of most middle and lower-income Canadians, hurt small business which depends on bank borrowings to operate, hurt farmers who have the same dependency on bank borrowings and would, therefore, add to the cost of food.

Many of us heard the minister make that statement before the Commons finance committee on October 30, 1979, so hon. members opposite cannot say that they are not aware—because certainly one of their ministers is—of the consequences of the high interest rate policy. The budget shows that absolutely no steps have been taken to relieve the high interest rates, a phenomenon we have been living with in Canada.

In that context, how can a minister stand up with any degree of honesty and tell us that he thinks the Minister of Finance should now be complimented, the same Minister of Finance who pointed out on budget night that he anticipated that the real growth in our economy would be 2.2 per cent in 1982?

Where will that put Canada, Mr. Speaker? It will mean that we no longer hold thirty-ninth place in the list of economic performance of countries in the world; we will be down to number 40. An advance of 2.2 in the real growth of our economy will mean that if the *Euromoney Magazine* estimate of world economies is correct, Canada will be fortieth, tied with India and coming behind Turkey, Greece, Haiti, New Zealand, Spain, France, Portugal, United States, Austria, Guatemala, Argentina, Yugoslavia, Uruguay, Finland, Cuba, Luxembourg, Ireland, Panama, Venezuela, Brazil, Australia, Japan, Ecuador, Dominican Republic, Colombia, Peru, Phillipines, Chile, Thailand, Trinidad and Tobago, Hong Kong, Indonesia, Singapore, Malaysia, Taiwan, Barbados, Paraguay and Nicaragua. Those are the countries that we will be trailing if the estimate of the Minister of Finance of our real growth next year is accurate, based on the *Euromoney Magazine* line-up of how those economies will grow next year.

• (2020)

I would point out that certain of those economies are anticipated to have a real growth of over 10 per cent next year. Here we have a pitiful Minister of Finance coming in and telling us we should be proud of a 2.2 per cent growth in our economy in the coming year. Having said that, I would like to emphasize that I believe that the continuation of the policy that we see in the minister's budget has not only been tragic for Canada, but has been totally unnecessary as well.

Let me put these figures on the record. The Minister of Finance forecasts that if one wants to take the period from 1981 to 1987, the average real growth in our economy will be 2.7 per cent. If he is correct, again it will mean that since this government took power, not only have we had a steady decrease in the real growth in this country, but that, in addition, the next five or six years will be even worse than any previous five or six years that we have experienced under this government.

The fact is that when we take a look, for example, at the real growth in Canada on average between the years of 1964 and 1969, we find that it was 5.8 per cent. In the next five years, it was 4.6 per cent, and in the last five years, it has slipped to 2.9 per cent. We are now told that in the next five or six years it will be down still lower, at 2.7 per cent. That is why I am suggesting to all hon. members that they owe it to the Canadian public to be a little more candid, to lay it on the line and to admit that the economic policy followed by this government to date has not been working and that it must be stopped and reversed at the earliest possible opportunity.

I realize, having recommended that, that the government's allies to my left, the NDPers, the socialists, headed by the vice-president of Socialists International, the hon. member for Oshawa (Mr. Broadbent)—

Some hon. Members: Hear, hear!

Mr. Stevens: —will do all in their power to try to ensure that their partner, the Liberal socialist party of this country, not reverse their trends.

Mr. Deans: How did you vote on our amendment?

Mr. Nielsen: What amendment was that?

Mr. Deans: How did you vote on our amendment? Did you stand up and vote for our amendment last night? Well, for

heaven's sake! How could you stand up and vote for an amendment of all these people you don't agree with?

Mr. Stevens: Mr. Speaker, I always notice that when one touches on something that is as dear as the—

Mr. Deans: Like truth?

Mr. Stevens: —partnership relationship between the government and the NDP, it always gets them very rattled.

Mr. Deans: Why did you support us last night, Sir?

Mr. Stevens: What I would be very curious to know—

Mrs. Mitchell: Oh, you were in bed last night.

Mr. Stevens: —is the full plan that the socialists to my left and the socialists—

Mr. Nielsen: To your left.

Mr. Stevens: —the Liberal Party in front of us—have for Canada. For example, if they believe that we should be still more socialized in this country—

Mr. Deans: Ernest Manning would be to your left!

Mr. Stevens: —would they do this for us in the House, Mr. Speaker? Would they tell us where their type of socialism is working to their liking in any country of the world?

Mrs. Mitchell: How about Saskatchewan?

Some hon. Members: Oh, oh!

Mr. Deans: I would be happy—is he asking a question?

The Acting Speaker (Mr. Blaker): Order. Is the hon. member for Hamilton Mountain (Mr. Deans) rising on a point of order?

Mr. Stevens: Mr. Speaker!

The Acting Speaker (Mr. Blaker): I have no choice but to recognize the hon. member if he stands, and I have to assume that he is rising on a point of order.

Mr. Deans: Thank you, Mr. Speaker. The hon. member has asked me a question, and I would be delighted to answer him. I think he could take a look at the province of Saskatchewan—

Some hon. Members: Order, order!

Mr. Deans: —to see where that brand of socialism is working.

The Acting Speaker (Mr. Blaker): I do not think that intervention quite qualifies as a point of order.

Mr. Deans: Point of view, though.

The Acting Speaker (Mr. Blaker): If the hon. member for York-Peel (Mr. Stevens) wants to entertain a question, I suppose he can; otherwise, the floor is his.

Mr. Stevens: Mr. Speaker, again, of course, the hon. member was not listening to what I said. I asked him to show us any country in the world where socialism is working to his liking.

Mr. Deans: In Saskatchewan, in Canada!

Some hon. Members: Hear, hear!

Mr. Stevens: Oh, we now have an admission from the left wing element of this government that we have, in fact, socialism in Canada!

Mr. Deans: In Saskatchewan.

Mr. Stevens: And they are liking it! What I would like to hear—

Mr. Deans: In about half an hour, in Manitoba!

Mrs. Mitchell: Manitoba, tonight!

Mr. Stevens: What I would like to hear them expand on is whether they also like what they see in Poland?

Mr. Deans: No.

Mr. Stevens: Oh, they do not like that type of socialism in Poland. I see.

An hon. Member: That's communism.

Mr. Stevens: Perhaps it is what Cuba lives with that they like or perhaps their model is England.

Mr. Deans: Do you mean under Maggie Thatcher?

Mr. Stevens: In any event, let me assure Your Honour that the budget now before the House is bringing massive government intervention into your life, into my life—

Mrs. Mitchell: Oh, we wish it were.

Mr. Stevens: —and into the life of every Canadian citizen.

Mr. Deans: That is why you voted for the amendment.

Mr. Stevens: I would suggest to Your Honour that, in so doing, it is not a question of restraint because if one takes a look, one will find that the actual increase in government spending on a national accounts basis is 22 per cent. One will find that personal taxation is jumping up 31 per cent. One will also find that indirect taxation is up over 50 per cent.

Mr. Darling: Another point there, too.

Mr. Stevens: How can a minister of finance pretend that figures such as those to which I have referred, expenditures up 22 per cent, revenue sources jumping 30 per cent, indirect sources jumping over 50 per cent, are somehow equitable and

restrained? In short, they are not. I would suggest to Your Honour that we should endorse the motion before us, because I believe it will be tragic for Canada if we allow a situation to continue in this country where, on the same day, one finds stories in the newspapers spelling out that there are industrial lay-offs at plants such as Admiral, where 2,400 employees have been laid off, Massey-Ferguson with a lay-off of 1,700, Budd Canada with a lay-off of 800 automotive workers, International Harvester with 1,200, McDonnell Douglas with 550, de Havilland with 750, Chrysler with 2,100, the Ford plant at Oakville with 3,500, the Pratt & Whitney plant in Montreal with 610, and General Motors at the Ste-Thérèse factory laying off 3,500 people. That is the reality of this government. Those are the kinds of lay-offs with which we are faced in Canada where the total number of people employed in our manufacturing sector fell by 5 per cent in two months. The number of people employed fell by 110,000 in two months alone.

What is the response of the government? We find that the ministers who are responsible for our present economic climate take themselves over to Hull for a lavish lunch, so lavish that it ended up embarrassing the host when he saw the bill; in short, a $100 plate dinner or lunch for those who seem to be totally indifferent to the plight of the thousands of Canadians who are being laid off, such as those to whom I have just referred.

Some hon. Members: Shame, shame!

Mr. Stevens: Let us put this into perspective—

An hon. Member: Shame on MacEachen!

Mr. Stevens: —because the same budget states that what the government once said it might do with FIRA is being postponed and that somehow it does not want to touch that whole question any more. I would suggest that there is something which must be rectified in this country if we intend to get people back to work, especially in the manufacturing sector. Surely, even this government will acknowledge that there is something which is not equitable, considering the fact that Mitsui, the 39th largest company in Canada, has $1,541 million worth of sales in Canada, and yet it employs only 140 people. To put that into perspective, we find that the 38th largest company in this country, Defasco, does an almost identical amount of business in Canada, and employs 14,100 people.

Can Your Honour tell me why, on the one hand, it is consistent to say that if one wants to open up a manufacturing plant in Canada one must go through a lengthy process of investigation and screening, running the risk of being eventually turned down, but that if, on the other hand, one simply wants to manufacture the items any place else in the world and ship them to Canada, that is free trade? We like that, notwithstanding the fact that very few Canadian jobs result from that activity.

• (2030)

Unless this government starts facing those realities, we will see not just a recession, not just a great depression, but we will see the greatest depression that Canada has ever had. I think it is time that we did our best to bring the government to its senses before it is too late.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this debate might better be termed a wake. There are some of us at least who have some perception of what discouragement this new tax structure extends to Canada's most ambitious people, whether they are in the work force or self-employed, whether they be earners or producers of jobs. The whole crew in Canada received a discouraging message when it got this budget.

I was rather interested in a document which was leaked not too long ago, and I would like to quote from it. We read that much of our industrial capacity in Canada, no matter where its location, is fast falling behind the rest of the world in improving its productivity.

This morning we had an opportunity to talk to some people who are instrumental in creating jobs in Canada. I am referring, of course, to food processors. I have discussed the subject of our food processors on many occasions in this House. On each occasion I have had to say, regretfully, that if any new investor in this country had money on which he wanted to get a return, the food processing industry would probably be the last industry in Canada he should choose on which to spend his money. The existing processors came in under a climate much more favourable than the climate presently in existence. In this budget, the food processors got an additional kick in the teeth because they conform to the definition of the public servants who made this recommendation and the notation that the industrial capacity no matter where in Canada is fast falling behind the rest of the world in improving its productivity.

In this day and age if you have a 2.5 per cent profit you cannot keep pace with the requirements of modernization and replacement. What happens? The tax rate goes up and depreciation goes down without any incentive whatever extended to this important group of people to conduct the necessary modernization. There are farmers or farm-oriented individuals from Ontario who sit in the government caucus. Surely they must get the message loud and clear that the processing industry will suffer. This industry is vital to people in Ontario as it is vital to the people of New Brunswick. If they do not suffer, the farm producers will. But in every case the consumers will suffer. If ever anything was inflationary with respect to the price of food, it is this government which has removed any encouragement to the food processing industry to improve its capabilities.

I want to warn those same people in Ontario because there will be further GATT negotiations in the next 18 months. If we are as generous to all other countries in the world as we were in the last series of GATT negotiations, the farmer and the processor will suffer seriously from the trade considerations which will be extended to other countries in the world

without any reciprocity of other markets for our food producers. That has happened. We removed the duty on red meat coming into Canada, and then had to introduce a bill to regulate the flow of imports. That bill has been considered for quite a period of time, and it is still subject to approval in this House. That is but one example of the steps that we may have to take. If we continue to give away our own market to other people, Third World countries or others, the food processing industry of Canada cannot help but suffer more and, as a result, so too will the farmers of Canada. The disincentive is there in the industry. The employment opportunity may very well decline, or the consumer will pay more, or the farmer will get less. I ask hon. members opposite to read what is in the budget and they will understand what I mean.

I would like to refer to another question raised in the same document. It asks whether in those cases where new policies will require expenditures, we should seek in general to redeploy government spending by discontinuing those programs now focused on our prime objectives, or should we alter the government's fiscal stance by raising taxes? The answer obviously was that we shall raise taxes.

Here is something which the provinces must worry about. The conclusion suggested in the document is that there should be management of the resources development, and industrial reorientation projects will be of considerable and possibly mutual interest to provincial governments. The extent to which a joint planning approach is followed is likely to affect the speed and ease with which we conclude our major new projects. Should we actively endeavour to pursue a co-operative planning effort with maximum federal visibility on delivery—and I emphasize that phrase "maximum federal visibility"—or should we primarily rely on federal spending and prerogative as the means to pursue these policies?

I draw your attention to those remarks, Mr. Speaker because it was only last week that we heard a delayed budget. It was delayed because the premiers of the provinces were meeting with the Prime Minister (Mr. Trudeau) to discuss the Constitution. The Prime Minister very adeptly avoided bringing in this budget prior to the discussion of the Constitution. Here we have a document which was then in the hands of the government advising the government about resources, which is a provincial field. The question was, should the government go with joint projects and demand the co-operation of the provinces, or should the federal government get the highest visibility it could by going it alone to develop resources, the property of the provinces?

It is incredible, it is bad faith and it is treachery to have demanded that the premiers meet before the introduction of this budget which was going to curtail their future to the degree that it has. Whether you come from Quebec, which disagrees in principle, or whether you come from any other province in Canada which has disagreed in philosophy with the proposals put forward, to find this kind of treachery introduced in the House as a confrontation to those provinces which we represent here is incredible treachery. These are low-level procedures at best.

Mr. Tousignant: Who represents the federal government?

Mr. McCain: Who represents the federal government where? The Prime Minister represented the federal government, and he committed treachery by insisting that this budget come in only after the meeting. When it begins to hurt, you begin to squeak. I do not know how your wheel was greased so that you did not squeak when you were in caucus, but do not squeak now, it is too late. It is out in the open. There is negligence there in your province and mine as evidenced in the budget and the treachery of the budget succeeding the federal-provincial meetings. I think it is rather significant that the provincial first officers wanted to meet on the economy long since, and I would not want to be the finance minister, the minister of health or the minister responsible for education who has to come to me as the provincial minister and discuss finances of this nation after this budget was brought down, and you will hear more about that a little later.

• (2040)

The treacheries have been committed. I never thought we would have traitors to the concept of Canada, but we have and they are here among us.

An hon. Member: On which side?

Mr. McCain: Mr. Speaker, when a member asks a question to which the answer is so obvious he is only asking for deprecatory remarks in response, and I do not choose to address them to him.

This afternoon we heard the Secretary of State (Mr. Regan), the minister from Halifax, discuss the future of education in Canada as this government would like to conduct it. Again I want to refer to resources, one of which is forestry, and I will do so without quoting from the document which was leaked.

In this document prepared for the government forestry is referred to as a renewable resource, and the question is how the Government of Canada could gain the highest possible profile by spending money in the forest industry. The advice of the bureaucrats to the government is, well the trees themselves are provincial property. If we spend money on the trees in the forests, we will not get the profile because they are provincial. But, if perchance we happen to spend some money on education, and that is a mere pittance in terms of the financial response compared to what the forests really need, we would have a profile which would give us the credit we need in the political world. That in effect is what that document said. We find there that the government is advised to play politics with two things at the same time; with the renewable forestry resource and with education with respect to the resource—neglect the resource and get the profile from education. That is a rather ridiculous suggestion when Canada needs the whole deal.

An hon. Member: What is your suggestion?

Mr. McCain: My suggestion is that the government go back to the era of Liberal government when the Government of Canada recognized the need for federal research input and when the Government of Canada put money where its mouth was. It knew that with a depreciating resource it must give some consideration to helping the provinces, such as with regard to the budworm spray. Fifty per cent of the cost of spraying was contributed by that Liberal government, but this government backed away from it completely.

That is what I am talking about and that is what I mean. The Liberal government used to put its money where its mouth was, but now it has things all mixed up with woolly politics. If it is not political, do not spend it; that is what this document said and that is what this budget practises.

In Atlantic Canada we need, for the benefit not only of Atlantic Canada but of all Canada, a forestry complex. This has been discussed and I am not going into the details. It has been discussed by all the Atlantic provinces, it has been discussed by the federal government and it has been shelved by the federal government. To this moment in time there is no money coming forth for the forest rangers' school, which is a joint maritime school. It needs to be renewal and repairs. Has that fallen through too? Are we not going to get any federal input, even in education where the profile is the highest? Do not forget that your Quebec forest is similar to the New Brunswick forest, that the Quebec lumber supply is rapidly approaching the point where capital is being depleted and the government should be concerned about that forest complex as well as the educational and research centre which would help all of eastern Canada, including Quebec, in having a healthier forest industry. Do not play politics with this as the cabinet minister from Halifax has proposed we should do.

Mr. Tousignant: On a point of order, Mr. Speaker.

[*Translation*]

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

The Acting Speaker: The hon. member for Témiscamingue (Mr. Tousignant) on a point of order.

Mr. Tousignant: Mr. Speaker, the member who has the floor does not seem to be aware of the strategy for forestry development which has just been released by the Minister of the Environment (Mr. Roberts). He should find out about things.

[*English*]

Mr. McCain: The message is not worthy of comment, Mr. Speaker.

We have these needs and these political uses of these needs which I have discussed. Let us go on down the line.

This afternoon the minister suggested that there should be some emphasis on research, that we should adjust and rearrange education. This comes from a member from Atlantic Canada, the area which may virtually claim to be the seat of original education in this nation, where its first schools were formed, where some of the first colleges were formed and where there has been a standard of education which attracts to the University of New Brunswick alone 862 members from west of New Brunswick. For a maritime member, who knows that all other colleges in Atlantic Canada have populations which are pretty much constituted in the same way, to suggest that the Government of Canada should start to manipulate education, is to me an utterly and totally incredible suggestion. He is saying we must plan because we must have certain skills and we have to re-educate. So what is new? Doctors have been saying for 20 years that they virtually have to re-educate themselves by going to seminars, classes, courses or whatever. Lawyers, chartered accountants and other skilled people such as welders, blacksmiths, whatever they may be, have had to re-educate themselves to keep up with technology, so what is new?

Are universities flexible? I submit they are very flexible and able to react to the needs of the day. They were able to react to them after World War II. They expanded their facilities, they improvised and they taught. They continue to expand, and when the demand was more for skills other than college skills they were able to cope, even with a very distinct decline in student population. Now because the technical skills do not seem to be in the same demand, the population in the post-secondary schools and colleges is going up again, and they can cope even if this government reduces its contribution.

What right have we as politicians to suggest to the educators of this land that we know more about their subject matter than they do? What an insult to the educators of this land. Is this for political gain? We have heard statements this afternoon that the provinces are not spending as much on education as the government has issued to them for that purpose. Let me tell you that the Minister of National Health and Welfare (Miss Bégin) prior to 1979, during the campaign in 1979 and early after the election in 1980, accused the provinces of misappropriating funds in respect of health. She called on the ministers of health in Canada. since then we have not heard a peep from that minister about how the provinces are using their money.

I am now going to make a statement about the province of New Brunswick. The province of New Brunswick not only spent all the money which was eartagged for education within the province, it had to supplement that substantially from its own treasury and it added more in that one field than in any other. This government assured all provinces which would undertake bilingual efforts in education that they need not fear nor want for funds. The province of New Brunswick, unlike any other province in Canada, undertook that program, but then the guidelines were changed and the province had to find its own funds for the most part to conduct the program which the federal government promised to finance. If that is wrong, I challenge the minister from Halifax to tell this House that I am wrong and he can give me the figures to prove it. That is a false and improper accusation against the provinces of Canada.

● (2050)

An hon. member said in the House that I was a provincial member. I deny that categorically. I am a Canadian. I want to see a mechanism for the adjustment of the wealth in Canada so it can be harmoniously distributed, instead of the conflicts we will have if this budget is passed.

During the course of the debate one can be tempted to be deflected from those issues most important to one's constituents. Most of my constituents are interested in the forestry industry, something which I have already discussed. There is nothing but discouragement for those in the forest industry because there has been no indication from the Government of Canada, which receives close to $2 billion in revenue from the forest industry, that it will provide any more money for research or reforestation or any project other than education from which the government will enhance its political profile. This is clearly indicated in the budget document.

Canada's fishermen have been given a false anticipation of what their earning capabilities might be, whether they are processors or active fishermen or workers in the fish plants. They have been encouraged to believe that their incomes would far exceed their expectations. The Government of Canada has a policy which puts no emphasis on the quality of the product. It has refused to help the fisherman upgrade his boat so he could deliver better quality produce. It has refused to put grading standards on fish to encourage better quality. As a result, we have lost markets which should not have been lost. These markets should have grown in the last five years, but now they are gone.

The government has failed to realize that old boats need to be replaced, that young fishermen need a chance to get into the fishing industry. Instead, the government has made regulations which deny the young fisherman, who has to buy a boat to get a licence, the opportunity to do so. Because of the regulations, a young fisherman may find himself with a licence but with a boat that is not safe to sail. Since he has not operated that boat for two years, he cannot get a safe boat to use with his licence. If he does not sail the boat, even in jeopardy of his life, he loses the licence because he has not used the boat to fish for two years and the licence has not been used. That is how the regulation works. I know of about six young fishermen in my constituency who are sailing death traps because of idiotic regulations placed on replacement of boats by our Minister of Fisheries and Oceans (Mr. LeBlanc). This is with the blessing of members from Atlantic Canada who should know better.

I wish I could tell a happy story, and I believe it could be much happier if we could get an improved boat replacement program, a proper marketing thrust and leadership instead of misguidance from this government and its Minister of Fisheries and the people in that ministry.

I would like to turn now to the farming structure. The problems in the food processing industry and the fish processing industry are the same. My constituency probably contains the highest level of food processing of any other constituency in Canada. For this reason I am concerned about the health of the food processing industry for both fish and farm produce.

There have been some very hard times in the agricultural industry, and if the member for Chicoutimi (Mr. Dionne) were here he could confirm what I am saying. The inflationary process in the field of potato agriculture is such that since 1971, had I grown an acre of potatoes, planted in May of one year and delivered in April or May of the next year, the interest costs on that acre of potatoes in 1981 would exceed the total cost of the acre of potatoes ten years earlier. That is the impact inflation has had.

Here is a government which is prepared to put up to $300 million into Chrysler—I do not quarrel with that because we need the industry—but is proposing to put only $50 million into a depressed agricultural industry for all of Canada. The government is going to help up to 10,000 people in Ontario and it is going to throw the farmers of Canada to the wolves with $50 million. Relatively speaking, Mr. Speaker, the government should not even go to church with that little cheque for the collection plate when you look at its relative value to the tens of thousands of Canadian farmers, some of whom are destitute.

Furthermore, $5 million of that $50 million will be used to pay interest on what would have been helpful to the farmers in the first place. Therefore, the farmers only get $45 million.

I believe I can say to you, Mr. Speaker, without any challenge, that there are enough farmers in an emergency position in Atlantic Canada that the $45 million would not go halfway around. What does that do for the beef feeders or the pork producers in the rest of Canada? It does nothing. The government says to let Atlantic Canada have it and let the rest of Canada sit around and wait, just to see.

The minister has expressed his problem of the day that he has to consult all his regional directors to determine how he will spread this $45 million among the tens of thousands of farmers who need it. It is of no use for anyone on that side of the House to complain about food costs if they are to let agriculture suffer the fate that has been extended to it by a minister who stays in office while the agricultural industry is abused in its time of need.

Last weekend I was talking to a widow who lives on a fixed income. She expressed how proud she and her husband had been that they had been able to save money and did not have to go on welfare. She was using virtually all of her income to exist in the state of care which she needs, and that proud lady told me that because of this new tax structure her fixed income will not be adequate. She will have to seek help from the public purse. That is the impact, which has been brought about by the change in the income tax structure, on those who live on fixed incomes. My God, Mr. Speaker, has this government no conscience? Did members opposite think, as they approved this budget—if they ever heard of it in their caucus—of what they were doing to the people on fixed incomes, who were relying on interest or dividends to have a decent standard of living? Did they think about the old couples who are paying the full impact of the tax on gas, oil and fuel or the

cost of substitution? That may not be important in the rich areas which members opposite represent—metropolitan Canada—but down in Atlantic Canada it means a lot. Yet down there you are going to take just as much from them as you are prepared to take up here. Your conscience must have gone with the budget.

An hon. Member: They do not have a conscience.

Mr. McCain: Consider the plight of the fixed income people. My God, Mr. Speaker, we have heard about the needs of those people from members over there. For 20 years we have heard them say they would improve their old age pensions, they would improve this, that and the other thing. But it is they who are now cutting off some payments to the provinces which are already supporting many of these people who are on welfare because of the total negligence and lack of consideration of this government.

We have talked in this House about the tax structure. Now I would like to point out that the minister from Halifax, knowing Atlantic Canada and its needs, was sort of bragging about the fact that the provincial governments can, if they adjust their taxes in a certain way, collect another $1,400 million from provincial taxpayers. That is on top of the additional take which the federal government plans to get through its adjustment of income taxes and the closing of certain loopholes which they talk about. So provincial and federal taxpayers of this land will pay an extra $3 billion merely as a result of the adjustment in income tax. But the beauty of it, Mr. Speaker, is that the federal government is going to cut its payments to the provinces and will collect more money for itself, while it is the provinces that will be accused of imposing additional taxation. It gives a bad reputation to the provincial governments which are trying to economize, and fattens the purse of the Liberal Party.

• (2100)

My time is growing very short. However, I would like to talk for a minute about industrial strategy. I appeal to this government, as I did when I spoke the other day, to recognize that there are certain assets which we could develop. We could be exercising all incentives to get extra drilling off Sable Island and Hibernia. We could supply all kinds of incentives to get the tar sands into production. Our imports of oil could be reduced by 250,000 barrels a day within a three-year period. We could reduce expenditures today by $10 million a day; $3,650 million a year two or three years down the road, and keep our money at home. We would increase the tax base for the Government of Canada without increasing the rate. We could put 100,000 people to work directly or indirectly on those megaprojects which would generate another billion or so in tax revenues for the Government of Canada. Why punish us? Why deliver disincentives? This is the land of opportunity. We need leadership from this government. When is it going to come? When are we going to supply incentives rather than disincentives?

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, I have now listened to two members of the opposition and I can understand they are frustrated at having to sit on the other side of the House, to listen to the debate on a budget we have brought down, while in fact, they should or would have brought down not only the budget that was defeated but additional budgets, if they had not made the mistakes they did, which are now history.

I should like to start by congratulating the Minister of Finance (Mr. MacEachen) for his humanitarian approach, for his insight and courage. He was faced with difficult economic conditions and he has done a good job. The themes he announced in his budget are restrictions, equity and economic renewal, and I intend to review each of these themes in turn and highlight their positive aspects. The opposition has highlighted the negative aspects of each of these themes, and I want to look at the positive side.

[*English*]

Although we claim that this is a budget that addresses restraint, we hear comments from the opposition that there was no restraint. I call the attention of the House to the facts, the truth. The restraint envisaged by this budget is not only restraint that we face in the future, but restraint that we have already exercised.

I will cite some figures for the House. Yesterday we heard the Leader of the Opposition (Mr. Clark) quoting a series of figures he had pulled out of hats. He did not substantiate them. I will substantiate mine because these figures can be found within the budget papers.

Last year's experience was a decrease in our deficit as measured by the cash requirements. Our projection was $12.2 billion in cash requirements. In effect, we needed $10.1 billion, a reduction of $2 billion in our cash requirement.

In 1982, $11 billion had been projected in cash requirements. We envisage that our cash requirements this year will be in the vicinity of $9.8 billion. For 1982-83, according to the budget papers, we will require $6.6 billion in cash. That is a $4.4 billion cash requirement reduction over what had been prognosticated last year.

Mr. Stevens: You are just taxing more.

Mr. Blais: In effect, we are substantially reducing our cash requirement. The hon. member for York-Peel (Mr. Stevens) knows that two years ago we came to the House requesting a $14 billion borrowing authority. That was what had been envisaged in terms of our cash requirement as well as our contingency. Let us talk about spending targets.

Mr. Stevens: Up 22 per cent.

Mr. Blais: Spending targets are going to be maintained at a level lower than the GNP.

Mr. Stevens: When?

Mr. Blais: In 1981-82 our expenditures are envisaged as being 20.6 per cent of our GNP. If the hon. member for York-Peel looks at the budgetary documents, he will see that the forecast for 1985-86 is that our spending target will be 19.2 per cent of the GNP.

Let us talk about cash outlays. Excluding the debt charges, our cash outlays will increase in 1981-82 by 11.7 per cent. In 1982-83 our cash outlays will be 11.1 per cent. Yesterday the Leader of the Opposition spoke of an increase in cash outlays as something in the vicinity of 52 per cent as forecast in the budget. I cannot find where he got those figures. One can see the discrepancy between the figures he advanced and the ones I quote.

Our budgetary revenue decreased from 18.7 per cent in 1974-75 to 15.7 per cent in 1980-81 as a result of discretionary tax decreases over this period. Over the course of the fiscal plan, revenues will rise to 17.2 per cent of GNP in 1982-83 and remain at about this level until 1985-86. Thus the burden of taxation is less than in the 1974-75 period, a period of lower deficits than the present period.

Let me address the second point, the aspect of equity in this budget. Undoubtedly that is the aspect that has attracted the most attention because everybody likes to hear the term "loophole", that somehow we are removing loopholes within the tax system. In effect, this is exactly what has happened.

When I congratulated the Minister of Finance earlier in my talk, I addressed the humanity of the man. It is manifest in this budget because in closing the loopholes, we see the Minister of Finance in his small "l" liberal stance, a man who is in search of equity, who is in search of fairness. He has addressed that directly in this budget. I fail to understand why the opposition does not give him that credit. I just cannot understand it. I quote from an article in the *Toronto Star* dated October 23, 1981, which reads:

> Thousands of rich Canadians don't pay any income tax because of massive loopholes in the tax system, New Democratic finance critic Bob Rae charges.
>
> Poor and middle-income earners already staggered by high interest rates, are forced to shoulder an extra load because they must pick up the tab for the "tax giveaways to Canada's wealthiest individuals and corporations," Rae (Broadview-Greenwood) said.
>
> In 1979 alone, 3,467 people who earned more than $50,000 paid no income tax, he said, which was a 50 per cent increase over 1978.
>
> "Giveaways" allowed 160 Canadians earning more than $200,000 a year to avoid paying any taxes during the same year, he added.
>
> Speaking to reporters yesterday Rae—a candidate for the Ontario NDP leadership—contended that Finance Minister Allan MacEachen must include sweeping tax reforms in his next budget, now expected about Nov. 10.

● (2110)

We did exactly that. We plugged the loopholes. We redistributed the tax burden. Have we heard any sort of congratulations from the hon. members of the opposition? Not a peep, Mr. Speaker; but there has been, I shall point out to you, generally in the population of Canada a great deal of appreciation in terms of the equity that has been built in with regard to the tax system.

There are other tax adjustments. I would like to address those tax adjustments as they will affect my constituency. Based on the estimates of the Department of Finance, the average family savings will be $210. Because of the reduction in the marginal tax break, the 20,564 families in the constituency of Nipissing will save over $4,318,500 next year, which will provide for a positive stimulus for the area. My riding has a large number of small-business men and a large number of farmers throughout northeastern Ontario. They will take advantage of the tax measures that are contained in the budget.

In addition, a matter that has not been identified by the hon. members of the opposition is indexation. Indexation represents $3 billion of direct tax removal or tax credit for individual Canadian taxpayers. The indexation is retained. Personal exemptions, for example, for a family of four will be increased from $7,230, as it was in the past fiscal year, to $8,110, which is nearly $800 more in exemptions as a results of maintaining indexation.

The child tax credit will be increased for each child from $261 to $293 in this budget. In effect, we are talking about substantial assistance to medium and low-income earners.

[*Translation*]

The third theme of the budget is economic renewal. Contrary to the claims of the opposition, the government has addressed economic development, and I am thinking of the document that was tabled in the House and which bears the title *Economic Development for Canada in the 1980s*. The opposition members do not want to give this document any consideration—that is very unfortunate, because it contains a wealth of interesting information on the potential of our country. It says that within the next five years, the Government of Canada will spend $42 billion on economic development. In addition, $18.2 billion will be spent on energy development during the same five years, and that does not include all investments that will be made, Mr. Speaker.

After all, Canada is the second largest country in the world and it has splendid potential. Even members of the opposition will agree on that. And when we look at this document, we realize how vast this country's potential is.

[*English*]

The economic development of Canada in the 1980s indicates that the megaprojects will amount to $440 billion, between now and the end of this century. All members have read the document and are surely impressed. In addition to that it reflects a secondary economic potential, that is in terms of supplying these megaprojects. We will require a full infrastructure of supply industries that will provide additional revenues for Canadians, additional job opportunities and additional economic activity. The third area is the exploitation of high technology and high productivity goods and services.

I should like to address each one of the three areas. First of all, let me deal with the question of resources. All members will agree that Canada has a rich tradition in terms of the

exploitation of its resources. Undoubtedly Canada has been living off the dividends of those resources since before confederation. In effect, Canada is a net energy exporter. In 1979 Canada exported $1.8 billion more in energy than we imported. In foodstuffs Canada is a major food exporter. We know this year there has been a bumper crop. The crop of grain in western Canada will surpass 41 million metric tons. In terms of fish, we also know that since 1977, since the 200-mile limit, Canada has become the largest exporter of fish in the world. If I might bend your ear, Mr. Speaker, in terms of value, in 1975 we exported some $426 million worth of fish. In 1980 that figure trebled to $1.2 billion worth of fish exported to the international markets. You can imagine the potential! I am talking about relatively new export potential.

I am from northern Ontario and in northern Ontario mining and forest products are major export commodities. We earn our livelihood with those two basic resources and their exploitation. In those traditional Canadian resources the potential is immense. When we talk about the $440 billion it tends to be a conservative figure, when you consider the immense potential of Canada.

As the population of the world increases and becomes wealthier, as the Third World becomes wealthier, the demand will increase by quantum leaps for all of the commodities I have described. We have just provided federal incentives to develop the northeast coal deposit in British Columbia. We freed some 30 million tonnes of coal a year for the export market as a result of that particular initiative that the federal government has launched in co-operation with the provinces. The list goes on. I could talk to you about potash, asbestos and the other commodities with which we are familiar. All these particular projects will generate investment.

In terms of Canada's manufacturing sector and its industrial development, what is important is the supply industry that will be required in order to service and provide material, equipment and machinery for these projects we are developing.

In the fish industry it means additional shipping; it means commercial development of the shipping industry. In terms of wheat, it means additional development of transportation systems; it means additional investment in the transportation area.

In the two areas with which I am most familiar one can see the potential quite readily. Let us examine the pulp and paper industry and the forest products industry and the mining industry. Unknown to members of this House, 73 per cent of the goods and services supplied to the mining industry, so that they can exploit their resources, are not purchased in Canada. They are of foreign origin. In terms of the pulp and paper industry and the forest industry, which is one of the oldest industries in the country, there is still an immense demand for the service and the supply that can be provided by that industry in the Canadian marketplace. Approximately 49.5 per cent of their requirements are purchased offshore. We can see the tremendous potential.

• (2120)

I should like to talk about the shipbuilding industry. The Canadian Shipbuilding & Shiprepairing Association did a survey of what the requirements would be in Canada in that trade. It ascertained that in the next ten years, before the end of this decade, it would have a potential order book of $33.64 billion. I see the hon. member for Victoria (Mr. McKinnon) smiling; he has a satisfied expression. He is seeing the surge of the shipbuilding industry in his area and he knows its tremendous potential. Canada has the longest coastline in the world. We are developing an international expertise in terms of icebreaking capacity and navigation through ice. We look forward to a very vibrant industry in that area.

I should like to mention as well the rail transportation industry in Canada. All hon. members know that we are fast approaching full capacity on our rail system. Both CP and CN officials will tell us that what they perceive in terms of investment ranges in the billions of dollars. If we start adding shipbuilding, rail, mining supplies and pulp and paper supplies, the amount of money which will be going into the economy in the very near future is immense.

In terms of job creation I should like to give a nice rule of thumb which we use in the Department of Supply and Services. We have calculated that for every million dollars we spend for supply and services in my department, we create 30 direct jobs and 39 indirect jobs in the Canadian economy. If we start doing our sums and start dividing them by millions, we will have the total amount of job creation which will be generated within the economy.

In terms of all investments which will be forthcoming, we have put in place for the first time an office of industrial and regional benefits. Within the Department of Industry, Trade and Commerce, under the Minister of Industry, Trade and Commerce (Mr. Gray), there will be for the first time an office which will be able to co-ordinate all these activities. First it will be a point of focus for consultation and exchanges between the private sector and the government. As well it will be a point of focus to permit us to maximize the Canadian content of those major investments.

The third area of interest in the economic development paper is the development and exploitation of advanced technology. Last week we were all very proud when we saw the Canada wordmark on the Canadarm which flew with the American shuttle in space. The only outer marking was the Canada wordmark. In effect, the Canada wordmark saluted the world. Canadians were immensely proud because we were there in the leading edge of space technology. That did not just happen yesterday. Back in 1962 when the first Allouette was launched, Canada became the third nation in the world to reach the area beyond the atmosphere.

Mr. Thacker: Thanks to John Diefenbaker.

Mr. Blais: We can talk about the Arrow if the hon. member wants to talk about something for which John Diefenbaker was responsible.

Some hon. Members: Hear, hear!

Mr. Blais: When we are talking about the Canadarm, it is an expression of Canada's potential in the area of high technology. We accept that. I was in France recently and they said how great they were because they had the potential of establishing a satellite telecommunications network for France, that they were one of the first countries in the world to do that. I said, "My God, we have been in the telecommunications game in this country for close to 20 years". We can show the French, we can show the British and we can show the Americans the level of our own technology. We have to take a back seat to no one. Recently I was involved in the Telidon development, again a Canadian piece of technology which is at the leading edge of the videotext industry. Canadians are immensely proud of that. I could go through a whole list ranging from MacDonald-Dettwiler in Vancouver, British Columbia, to Northwest Industries Ltd. in Alberta, to Bristol Aerospace in Winnipeg, to de Havilland in Ontario, to Canadair or Pratt & Whitney in Montreal, to Mitel in Buctouche, or to Hermes Electronics in Nova Scotia. Throughout the whole country there is a tremendous high technology potential. Hon. members opposite will ask what I know about it. I know a lot about it because I have contracts with those fellows and I use my $3.2 billion per year to ensure that the capacity is in place.

Some hon. Members: Hear, hear!

Mr. Blais: That capacity is in place. We are able to use it and we are able to develop it. I do not care what the opposition moans and groans, dooms and glooms about. This country has the world by the tail and we know it.

When we consider all the investments which have to be made in the next generation, in the next 20 years, we know that there is no size of any government budget that is able to spend the money to provoke those investments, each and every one of them. There must be an economic state in the country which provides price stability in order to boost investor confidence. The opposition recognizes that hon. members of the opposition have said that we must bring down inflation and interest rates, that we must restrict our spending. We have done that responsibly. We have removed a necessity in the Canadian marketplace. We have made available in the next fiscal year more than $4 billion to private investors in order to bring down the rate of interest, to bring down inflation and to create stability. That is the only way we will be able to take advantage of that immense potential.

There is absolutely no assistance from members of the opposition who cite partial statistics, who try to mislead the House—undoubtedly unintentionally because they do not know what they are doing in the first place—in terms of the arguments they present in order to provoke confrontation. The country does not need confrontation. The country needs co-operation. The government has been aiming at co-operation with the agreement on energy prices which we signed with the three western provinces, and in terms of negotiating a constitutional arrangement which will provide for the first time in our history our own made-in-Canada Constitution, approved by Canadians. This is the sort of fearless leadership we are providing to the people of Canada. This is why I commend the budget to the House and I commend the Minister of Finance for his wisdom and perspicacity.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have just listened to a Liberal cabinet minister bragging about the budget of the Minister of Finance (Mr. MacEachen) at a time when public confidence in the government is at its lowest level in 20 years of our history. I should like to ask the minister where he spends his time.

• (2130)

Is he locked up in his cabinet office and does he not get out in public where he can hear the comments the people are making? I cannot remember a time, in the some 25 years I have been around this institution in one position or another, when a budget has been so universally panned. Economists, pundits, editorialists, labour leaders, the business community large and small, all received it with rage, ridicule or both. It is the business of these groups to analyse this misbegotten offspring of a finance minister's delusion, of course, and to expose its weaknesses.

Their criticism is not surprising. What is surprising is the near-unanimous reaction of hundreds of thousands of Canadians in every part of this great country who have treated this budget with similar anger and scorn—anger at the con job that the Minister of Finance tried to perpetrate on them by pretending to offer them something when he did not. They saw through his dishonesty, his deceit and his cupidity. There was scorn on the part of Canadians for a minister who so underestimated their intelligence that he thought he could get away with his efforts at deception. The Canadian people are not as gullible as the minister's own backbenchers.

How I would love to see the Minister of Finance take that budget into an election campaign. Even his toadying backbenchers, who support it publicly but criticize it privately, would run away from it.

The tragedy of this budget with all its take and no give approach, is that it comes at a time when the country is in the grip of a severe recession. The Minister of Finance and his seatmate are old enough to remember the searing effects of the Great Depression, although the Prime Minister (Mr. Trudeau) was isolated from it all by a cocoon of wealth in the higher reaches of Outremont, an isolation he has steadfastly maintained throughout his lifetime. Should they remember the 1930s they will know of the anguish and hardship and worry that haunted people's lives. Today's recession, and we see it all around us, is beginning to resurrect these fears and uncertainties of that earlier era.

Canadians are worried. Canadians are concerned. They wonder if anyone in government has a hand on the helm of this country. The last thing they need at this time of uncertainty and worry is a con job from the Minister of Finance or a thinly disguised tax grab at their dwindling resources.

The minister walked in with a budget that allowed him to grab what he could—$1.4 billion in higher revenues for the federal government—and then ran off to bury his head in the sand in the hope that he could escape the escalating financial storm and would hold that ignominious position until the storm was all over.

The Minister of Finance came in here on budget night and prated about equity. The 1.5 million Canadians living in poverty, almost a week after the budget, are today asking, equity for whom? Certainly it is not for those in the lower income bracket.

In a recent speech in Toronto the Prime Minister eulogized Liberal compassion, but for the more than one million unemployed Canadians forced out of jobs by the government's high interest rate policy, Liberal compassion has a deceptively hollow ring to it. Never once in the speech in Toronto did the Prime Minister deal with unemployment. Surely equity and compassion must be directed first and foremost to alleviating the problems of the neediest in our society, be they the unemployed, pensioners or families about to lose their homes.

Is this what the budget does? Is this what it addresses itself to? Not on your life, Mr. Speaker. It aggravates the problems of those people. It provides neither help nor hope. It condemns millions of Canadians already in straitened circumstances to greater hopelessness and despair. Long gone are the days of the "just society" or, indeed, of social justice.

If you need proof of that Mr. Speaker, just look at the social development envelope. The federal government expenditure on social programs will not keep pace with inflation next year as only $30 billion has been allocated to social affairs. That is, indeed, an 8.9 per cent increase from this year, but inflation is running at 12.9 per cent so, in real terms, social development programs have to undergo a cutback, a decrease of 3.8 per cent. That means a cutback of the programs for the ill, the elderly, the disadvantaged. Programs such as those would be put on the back burner by this government.

Where is the social compassion the Prime Minister spoke of? Where was the minister responsible for social development when the Minister of Finance was carving up and cutting back the social affairs envelope? I have no doubt he was out peddling the Constitution and not paying attention to the social programs of those who vitally need them.

At a time when the country is in the throes of a severe depression, the minister has turned his back on those Canadians least able to help themselves. They are the real victims of this budget.

One of the Liberal backbenchers laughs about that. It is no laughing matter for the people who are ill, elderly or without jobs this winter or who are about to lose their homes. It is no laughing matter for them.

Mr. Nielsen: Thunder Bay-Nipissing.

Miss MacDonald: I am told it is the hon. member for Thunder Bay-Nipigon (Mr. Masters). I suppose in his riding there is no unemployment.

If the minister feels that my comments along this line are biased, let me refer him to another objective source. Earlier today the Canadian Council on Social Development released its analysis of the budget. In a damning indictment headed, "Budget shows loss of direction in social policy", the council excoriated the minister for his lack of planning capability in the social field.

The council had this to say:

> The contradictions inherent in the treatment of social program funding, the inequitable treatment of low-income people, the counselling of distressed home owners to incur higher debts, and the tolerance for increasing unemployment, all indicate a loss of planning capability. It seems to us that Mr. MacEachen has formed his entire budget around the hope that interest rates will decline miraculously over the next couple of months. I don't think we can depend upon either U.S. policies or the Bank of Canada to guide our response to the social and human needs of Canadians.

Later, it had this to say:

> The treatment of low-income people in the budget is a complete disappointment. Not only did the government not return some of the revenues from the extremely regressive energy taxes in the form of a tax credit, but they have ignored the plight of over 500,000 families who pay more than 30 per cent of their gross income for rent.

When that report came down today, Mr. Speaker, the Canadian Press covered it and, in moving the story of the council's critical analysis of the budget, used this headline: "Budget Takes From the Wealthy to Give to the Rich." It explained that the budget closed loopholes used by high income taxpayers to avoid taxes in the past. In return, it cuts the tax rates from high income individuals. There is not much commendation there for the Prime Minister's talk of Liberal compassion or the finance minister's vaunted equity. The cold comfort—and it is indeed cold comfort—that the Minister of Finance offers Canadians is that unemployment will get worse before it gets better and that the cost of living will go up before it begins to come down.

• (2140)

Let me first turn to unemployment and the prospect of a long, bitter winter which one million Canadians will face in the coming months. In October, 989,000 Canadians were out of work. Since then, lay-offs have increased dramatically. Tonight, the headline in the paper in my home city of Kingston, the Kingston's *Whig-Standard*, stated that 4,100 people have been laid off since the budget. Four thousand one hundred more Canadians have lost their jobs since the budget was brought down. The prospects for employment in the weeks and months ahead have certainly not been made any brighter by this budget.

No new job incentives were introduced, despite the 8.3 per cent unemployment rate. That was not considered by the government to be a priority in this budget. The government will spend only $154 million on direct job creation this year as compared with $336 million ten years ago when unemploy-

ment was running at six per cent. Already government employment forecasts have proven that the figures in the minister's appended documents the other night are incorrect. They have proven to be incorrect because the budget projected a 7.8 per cent jobless rate for 1982 and 8.3 per cent for the following year.

We have already reached the rate forecast by the budget for 1983. It is already running at 8.3 per cent, and the worst of the winter's jobless figures are still before us. We have 10 per cent unemployment! We have another Liberal backbencher who does not believe that unemployment exists. At the present time it is at 8.3 per cent. Sadly, it may well go to 10 per cent in the months immediately ahead. We have great concern and we greatly care about that figure. I only wish the hon. member opposite would have the same care and concern. What does the Minister of Finance have to say about all of this? What does he say to the thousands who are unemployed? He says that they must wait until inflation comes down. That is cold comfort indeed for individuals who are struggling to feed their families or to keep roofs over their heads.

Unemployment and a stagnant construction industry are very closely linked. It is obvious to just about everyone in this country, except to some hon. members opposite, that we face a severe housing crisis. We need about 220,000 homes each year just to keep up with new family formations. Next year, Canada Mortgage and Housing Corporation forecasts that the level of housing starts will be 135,000. Last month it was only 104,000. However, that is only 60 per cent of the number needed in this country. That will be a shortfall of some 85,000 homes next year, and at what cost to the economy?

The Housing and Urban Development Association of Canada estimates that such a shortfall in homes would cost the country $4.2 billion. That is what we are talking about in the way of a housing crisis. It also translates into 30,000 fewer jobs in the construction industry alone. Every job in the construction industry, analysts say, translates into three in related industries, and 11 more people out of work throughout the general economy. The housing crisis indeed reaches out like the fingers of a hand and touches every aspect of our economy, particularly lumbering and manufacturing. Thousands of workers in our lumber mills or in firms which manufacture household appliances and furnishings and building supplies are idle, and at what social cost to the nation, both in terms of lost productivity and in terms of higher pay-outs in unemployment insurance benefits?

Last Friday we received the news that Admiral of Canada laid off 2,400 employees. In my own riding of Kingston and the Islands, Du Pont has recently laid off 200 workers. This is a plant which manufactures synthetic fibres for carpets and drapes. Millhaven Fibres, another plant in that riding, has laid off 36 people. Canada Cement has laid off 110 people and Alcan has laid off 102 people. What kind of a winter can they look forward to? Thousands and thousands of Canadians have to face a long, cold winter without work. It will not be the grinch who steals Christmas this year, but it will be the Minister of Finance, with the kind of budget that he has brought down this past week.

Unemployment and a housing crisis are closely linked indeed, and the social costs are very hard to measure. How can we calculate in dollars and cents the human toll which will be exacted? As people are forced to move out of their homes, we might logically expect to see increases in family breakdowns through divorce and separation, and increases in alcoholism and anti-social behaviour, whether that be family-centred violence or crime in the streets. The home, which is the traditional foundation for a strong family life, is under attack. We have seen evidence in the minister's own document that it has been stated and proven to him that people will have to double up and share homes with others. What kinds of strains and tensions will that create in our society?

The home was certainly under attack when the minister responsible for housing attempted to mislead the hundreds of thousands of Canadians facing mortgage renewal. He led them to believe that there would be assistance for them in the budget. He gave them every indication that there would be widespread assistance. Home owners came here on September 15 to protest the high mortgage rates, and he told them to grit their teeth and hang on until the budget. They gritted their teeth and they hung on, at great cost to themselves, until the budget. What did they find when that budget came down? What did the budget offer them? It offered a measly $38 million in assistance to home owners, to be spread out among some 12,500 home owners considered to be in dire straits. Who will choose which ones of the many hundreds of thousands who are in difficulty will be among that select 12,500?

The budget does not begin to meet the needs of the more than 100,000 home owners who will have to spend more than 30 per cent of their income after renewing their mortgages this year. The minister responsible for housing has toyed with the emotions of Canadians, holding out some hope where there was none for them, buying time to save his own job. After today, I doubt that he will be able to do that.

Some hon. Members: Hear, hear!

Miss MacDonald: What a cruel joke it is to raise people's expectations only to dash them to the ground when it suits one's purposes!

Mr. Laniel: That's what the opposition has been doing for months.

Miss MacDonald: I would like to point out some of the people to whom that hope was held out, and to ask whether they will be included in the select group to which the minister will be doling out meagre assistance. I cite one example of a couple living in the city of Kingston who have a $45,000 mortgage. Previously they paid $424 a month for this mortgage. Now they pay $683 a month. Their monthly net income is $1200. The two people living in this home are an elderly couple over 60 years of age. Their mortgage payments now represent some 57 per cent of their monthly income, whereas previously their mortgage payments represented 35 per cent of

it. After paying the mortgage, taxes, heating, etc, they have $18 remaining in their monthly budget for food. Will they be among the 12,500 people to receive the minister's meagre assistance? Will they be among the select few? What about another couple who have a mortgage of $38,000? They used to pay $356 a month in mortgage payments. Now their payments are $635 a month. In this home live a husband and wife, four children and an invalid mother. Are they going to be among those who receive assistance? How will we know? What criteria will the minister use to spread among the people who are so desperately in need? That is the question thousands of Canadians are asking tonight right across the country.

• (2150)

The Minister of Finance has ignored the House of Commons since he brought down the budget. He rarely appears. If the government and the minister will not pay attention to the advice of the opposition, perhaps it will listen to one of its former cabinet ministers. Goodness knows, there are enough former cabinet ministers to fill a whole town in dire straits. To quote the Hon. Eric Kierans, who was the first to leave but not the last, he said:

> The budget as a whole reflects a complete ignorance of, or refusal to deal with the economic reality of Canada—the enormous social and economic costs imposed on 90 per cent of a population living with soaring prices and the deliberate use of high interest rates to restrict production when 8.3 per cent of the work force is unemployed.

I ask what this government offers and what this budget offers to the youth of Canada. Their prospects of employment are bleak indeed in one of the world's richest countries.

Unemployment for young men and women between the ages of 15 and 24 has increased. In a country of such vast potential in both human and natural resources, the government offers them little hope for a better future.

At a time when we should be developing the potential of Canadians through post-secondary education, cutbacks in transfer payments are on the finance minister's menu of restraint.

A federal task force set up by the government warned of severe shortages of highly-skilled workers in Canada today. Government cutbacks now as a result of this budget will undermine the long-term development of a work force essential to our country's economic growth and position in the world community.

We recognize, however, that when it comes to talking about cutbacks, the Minister of Finance has a talent for cosmetic surgery and the budget attempts to mask his real intentions. As hon. members will recall, the minister said on budget night that there would be no cutbacks to post-secondary education or to health and medicare programs. That is just an example of more deception. There will be cutbacks, and there will be long-term cutbacks at that. The minister proposes massive cuts known as the revenue guarantee. He can dismiss it, but I would say to you, Mr. Speaker, "a rose by any other name", because eliminating the revenue guarantee will seriously reduce the funds available for education, for health and for hospital care.

Since 1972 the revenue guarantee has been used to finance these programs. Its elimination directly translates into a reduction of $5.7 billion in transfer payments over the next five years and $915 million in 1982-1983. As hon. members may remember, the all-party parliamentary committee on federal-provincial fiscal relations concluded that the revenue guarantee must be considered part of the health and education package.

Cutting out that huge amount of money will mean that the provinces will likely have to increase taxes or reduce services or both.

The minister talks of equity in his budget. Cutbacks to post-secondary education will be devastating to the lower-income groups. The vibrations from university, students across the country are clear. There are organized lobbies on every campus and student protests on the Hill. Students are up in arms. Their futures are at stake.

At Queen's university this fall, I addressed 500 students, fearful and anxious about their future. The budget confirmed their worst fears. The Minister of Finance has closed the door on thousands of students.

Cutbacks mean that services and facilities will inevitably be cut. Enrolments will fall. Institutions will close. Higher tuition fees will mean higher education only for those who can afford it. Why is the minister at this point undermining Canada's future by denying our youth the opportunity to develop their potential through higher education? He should be paying attention to the students' slogan: "Mind power is Canada's energy," instead of doing all that he can to destroy it.

Not only will thousands of students lose their right to a decent education, but the budget has also ensured that thousands of pensioners will continue to eke out a meagre existence below the poverty line.

Of Canada's elderly, 575,000 live below the poverty line. As the minister responsible for the status of women knows, just over 400,000 of these are women, mostly widows.

Many of these people have worked hard all their lives only to arrive at a time when they see their savings eroded by inflation, their minimal pensions unable to keep up with rising costs. Pensioners spend about 80 per cent of their incomes on four basic necessities; shelter, food, home heating fuel and transportation. And the cost of each of these items goes up faster than the quarterly cost of living to which their pensions are indexed. Thus their pensions buy less and less with every passing month. There is no equity for the pensioners living below the poverty line.

This minister is content to lavish far more attention and money on things such as Mirabel airport than he is on Canada's elderly citizens in need. He is far more prepared to spend $2,000 on a luncheon than he is to worry about the diets of the elderly poor. There is no equity in this budget. There is

no fairness. There is no social justice. The minister would be well advised to go back to square one and start all over again.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—GUIDELINES USED BY OFFICIALS CONTACTING HOME OWNERS ON MORTGAGE RENEWALS. (B) ADVICE GIVEN BY OFFICIALS. (C) REQUEST THAT MINISTER MAKE STATEMENT ON MOTIONS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I rise in this adjournment debate to bring to the attention of the House the answers of the minister responsible for housing to the questions which I raised on Tuesday, November 10. At that time I asked the minister responsible for CMHC what guidelines his officials were using when they contacted home owners facing mortgage renewals immediately prior to the budget. The minister responded, to the surprise of everyone in this House, that officials from his office and he personally had responded by telephone in approximately 200 cases. He said that they had been able to obtain deferrals of contracts and contract renewals until after Thursday or Friday of that week. When the minister made that statement he was talking about budget week and budget day.

• (2200)

We submit from this side that the minister had absolutely no business, himself or his officials, telling any Canadian about the details of the budget prior to budget evening. That is the job of the Minister of Finance (Mr. MacEachen), not members of the minister's staff or other ministers. Our party has been very concerned about budget secrecy and preferential treatment.

Today we had an even greater demonstration and cause for concern. We want to know what the minister's office was telling the institutions involved that would persuade them to hold off mortgage renewals until after the budget. Did the minister's office attempt to secure the same deferral for all home owners who had directly or indirectly contacted his office?

My colleague, the hon. member for Peterborough (Mr. Domm), has dramatic proof that the minister was very selective about whom he or the members of his office called. That hon. member brought forward 31 names of individuals who had not been contacted by the minister or his staff, although they had been brought to his attention.

We want to know, and that is why we asked the question and ask it again tonight, what criteria the minister's office was using to determine who should get the deferrals and who should not. Was the minister's office just picking names out of a hat? Where were the guidelines drawn from? The minister replied to one of the supplementary questions with the statement that he unequivocally did not know what was in the budget. That was on Tuesday.

It is interesting to note in retrospect that on Tuesday the minister said he did not know what was in the budget; on Thursday evening we found out what is suggested he was told, yet almost instantly after the budget presentation CMHC presented a detailed document outlining the establishment of a centre dealing with mortgage renewals, complete with long-distance phone lines and a manager. Is not the age of high communications wonderful when a minister of the Crown can establish such procedures within two days? It is inconceivable that a minister could state in this House that he did not know what was in the budget when officials from his office were telling people in Delta, B.C., and Oakville, Ontario, not to renew until after the budget when a whole new departmental structure should appear in an instant.

My question to the minister was prompted by evidence which came to our attention from Delta, B.C., where an individual faced with an increase in mortgage interest from 13.75 per cent to 20.25 per cent was called by an official of the minister's office and told that if the renewal did not have to be signed, he should hold off until Friday, after the budget.

The gentleman I spoke to in Halton, Ontario, was also contacted and told that he should delay renewing his mortgage until after the budget. There will be help in the budget for people like him who are having trouble renewing their mortgages, he was told.

We have information which suggests that, although the minister stated he did not know what was in the budget, employees of Vickers and Benson, the Liberal Party's favourite advertising agency, were certainly well informed. This information will come forward as the week unfolds. The minister stated unequivocally that he instructed his officials specifically to make no reference to the budget and to hold out no promise. We can well understand the minister's embarrassment at the revelation on budget night. The so-called assistance in the budget was a cruel joke. It was certainly nothing that anybody would bother to call anybody about. The minister dashed the hopes of Canadian home owners all across this country.

• (2205)

We are not so concerned about the lack of substance in the budget as we are about the process which was followed. We are concerned about over-all budget secrecy. That is a tradition in Canada. We want to know, Mr. Speaker, how much information was revealed to the minister's officials. What did they do with it and how secret did they keep the information which they obviously had? We saw today the Secretary of State (Mr. Regan) who is in charge of advertising, cut loose and run. We saw the Minister of Finance, who has left the

minister responsible for housing swinging in the wind for months, continue to do so. We were also prompted in our efforts today by an unbelievable exhibition from the government House leader when he suggested that, instead of pursuing our democratic right to raise questions in this House, we should resign. Well, we know how long it takes them to call byelections on certain occasions and we have no intention of following the cheap hysterics of the government House leader.

Once again, Mr. Speaker, I invite the minister responsible for housing to rise in his place and do the honourable thing and announce an inquiry to get to the bottom of the leaks of information and the lack of direction given to his officials in his department. I suggest the inquiry could also be broadened to encompass the events of today, so that the true facts could be made available to this House.

[*Translation*]

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I should like to get back to the comments made by the minister responsible for the Canada Mortgage and Housing Corporation (Mr. Cosgrove) regarding the question raised by the hon. member on November 10, 1981, on the subject of advice given to home owners whose mortgages had come up for renewal. May I point out, Mr. Speaker, that he kept the promise he made earlier in the House and that he has taken a number of measures to help those who, when their mortgages come up for renewal, are hard put to meet their monthly payments because of interest rates. The minister's staff and the minister himself have answered 366 telephone calls, and the minister has answered 193 letters. In many cases, he was able to get lenders to make alternative arrangements for financing. In other cases, he obtained a deferral of interest payments. Often, Mr. Speaker, members of his staff were able to help home owners to get organized by referring them to ombudsmen appointed by some banks to deal with mortgage renewals.

I also wish to say a few words about the hon. members comments on the secrecy of the budget. Mr. Speaker, the hon. member will agree, I am sure, that to people who are in a difficult situation, it was only natural to wait until the budget was brought down to see if it did not contain some form of assistance. As the hon. member knows, help was in fact announced in this budget. The government has established a Canadian mortgage renewal program under which the government undertakes to help Canadians who are in great need. It is also very encouraging, Mr. Speaker, to see that interest rates have fallen during the last few weeks, because there lies the real answer to solving the problems of home owners. Finally, Mr. Speaker, I would like to give the hon. member for Simcoe North (Mr. Lewis) the assurance that the government has done and will continue to do everything in its power to help home owners who are in great need.

[*English*]

HUMAN RIGHTS—REPORTED PLAN TO ESTABLISH CIVILIAN INTERNMENT CAMPS. (B) TERMS OF STANDING ORDER PUBLISHED IN "THE CANADA GAZETTE"

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have always felt that with this Prime Minister (Mr. Trudeau) and his government, one should not listen to what he says, but should watch what he does. On September 10 of this year the Ottawa *Citizen* quoted the Prime Minister as saying—and you understand, Mr. Speaker, that the Ottawa *Citizen* is always very kind to the Prime Minister and quotes him accurately, I am sure—and here I will read what it says:

> The record of intolerance in Pacific Canada, in the decades around the turn of the century, was not a proud one. No more exemplary was the decision taken by the federal government, in the heat and fright of World War II, to evacuate Japanese Canadians inland from coastal communities and to deprive so many of their civil rights.

That is what the Prime Minister said.

● (2210)

The Minister of Justice (Mr. Chrétien) during the debate on the Constitution, justifying the provision of the charter of rights for Canada on February 17 said in defence of that charter, and I quote from page 7374 of *Hansard*:

> I want to examine the charter both in terms of what it holds out for tomorrow and also in terms of how it fits into the stream of Canadian history. While our history is one in which we can take pride, it is not without its stains. Some of these were brought out very clearly during the hearing by the joint committee of testimony from representatives of our native people, of the National Association of Japanese-Canadians, Francophone groups outside of Quebec, of Anglophone groups in Quebec, of the National Black Coalition, of women's groups, of the handicapped.
>
> Part of our task is to recognize the injustice of the past, to say "never again shall rights be trampled upon". Part of our task is to ensure that the enormous evolution in our values is reflected in our Constitution. That is what we are doing today. We are building a modern Canada for tomorrow.

That is what the Minister of Justice said on February 17. At the same time in cabinet, and I emphasize that, the Prime Minister, the Minister of Justice, the Solicitor General (Mr. Kaplan) and other cabinet ministers were formulating Privy Council Document No. 1305 which was Gazetted on June 10. I quote as follows from that document, Schedule, Part II, under the powers assigned to the Solicitor General:

> 6. Establish, administer and operate civilian internment camps.
>
> 7. Facilitate the selective reduction and transfer of prison populations to provide for the establishment of civilian internment camps.

On the one hand the Prime Minister and the Minister of Justice say never again. At the same time they are providing powers for themselves to establish civilian internment camps. "Never again shall rights be trampled upon."

The question arises, if never again, why does the cabinet make provision for civilian internment camps? I think it is safe to say there is a truism about politics. Governments do not make provision for powers they do not plan to use. Does the government plan to use the provisions in this act? Of course it does. The question is who will be the candidates? Who will be in those civilian internment camps?

It is important to note that in 1970 we did not need a war to have wholesale imprisonments. The provisions of this act, which are an addendum to the War Measures Act, are supposedly to be enforced in case of war. However, the Prime Minister has already proved to us that we do not need a war to invoke those provisions.

What will trigger the use of those powers to bring about the civilian internment camp? Why did the Solicitor General when I asked this on October 29 lie to me when I first presented that matter to him?

Mr. Deputy Speaker: With all due respect to the hon. member, it is unparliamentary to say that another member has lied. I wonder if the hon. member would reconsider his words on that point.

Mr. Friesen: I respectfully suggest, Mr. Speaker, that the rules of the adjournment debate do not permit that kind of interruption.

Mr. Deputy Speaker: The language that the hon. member used is not acceptable at any time in the parliamentary proceedings. I invite the hon. member to rephrase his remarks.

Mr. Friesen: I will rephrase it and ask why does it appear that the minister lied to me when he said "there are no such orders in council"? Either he seemed to be misleading the House or he does not know what is going on in cabinet and does not deserve to be a minister of the Crown.

When I asked the minister in the House why he did that, the Solicitor General replied "the presence of illegals or foreign agents of that foreign power in Canada." Is the Immigration Act not adequate to deal with that? Is the Criminal Code not adequate to deal with that? Is the court system not adequate to deal with that?

● (2215)

The provision in this order in council is for civilian internment camps. That refers to citizens and to landed immigrants who have been denied due process of law and habeas corpus. In the short history of the tenure of the Prime Minister we have had one example where 450 citizens of the province of Quebec were imprisoned without due process of law and without habeas corpus. The present Speaker in the other place said that it was silly to imprison those people because logically they were not harming our country.

I have asked serious questions and I should like to have an answer tonight.

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Mr. Speaker, I shall be happy to answer the question put by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). I might add that this will also be an opportunity for me to explain what the situation is in cases where the order in council on contingency plans is to be implemented. The first circumstance would be in case of war. The second would be in case of a breakdown in public order preceding the outbreak of a war or in case of terrorist acts. The third circumstance would be an emergency following a disaster resulting from natural causes.

As Parliamentary Secretary to the Solicitor General of Canada, I can say that we would be in charge of the two first situations only, because they come under the jurisdiction of the Department of the Solicitor General. The purpose of this order in council will, in fact, be to prevent occurrences such as those that took place during the last World War, which were mainly due to a lack of staff and of regulations such as the one we would like to have adopted. Mechanisms for enabling the government to meet its responsibilities still have to be worked out; they will be made known shortly and will be the subject of the customary debate.

Mr. Speaker, once more I would like to say that the new measures are primarily aimed at striking a balance between the rights of the individual and national security, and they will become effective only after proclamation before the House. For the information of the House, I would like to add that an additional margin of safety will be provided so that citizens can protect themselves against any abuse of human rights, since this House will soon be asked to pass a motion to entrench a charter of rights in the Constitution of Canada. The individual will therefore have the protection of the charter of rights, and finally, the government's action will be structured as described in the order in council.

[*English*]

THE ENVIRONMENT—INCREASED GRANTS FOR CONSTRUCTION OF MUNICIPAL SEWAGE TREATMENT SYSTEMS

Mr. Maurice Foster (Algoma): On October 27 the Minister of the Environment (Mr. Roberts) announced a program called "Great Lakes Water Quality Agreement" which will provide some $65 million for municipal infrastructure for sewage treatment plants and associated facilities over the next three years. I want to indicate my appreciation and good feelings toward the minister for announcing this program. It will be of great benefit in my constituency where some $5.6 million will be expended by this program during the next two or three years. The Great Lakes Quality Agreement approved the expenditure to Elliot Lake of some $2.8 million, to the town of Spanish of $1.45 million, to Little Current of $1,263,000 and to Blind River of $42,000. These were new commitments in the case of Spanish and Blind River. In Little Current and Elliot Lake it involved funds that were replacing those provided by the community services contribution program that was terminated at the end of last year. The funding under the program is very much appreciated. However, in the circumstances in the town of Elliott Lake which is rapidly expanding, where they are into a multimillion dollar sewer and water development program, not only to serve the existing town but to serve a new town undergoing construction right now, the amount of funding provided under the Great Lakes Water Quality Agreement does not totally cover the commit-

ment we envisaged or planned under the community services contribution program. In fact, there was a shortfall of some $1.236 million from that program. The minister indicated that he hoped to meet with the provincial minister of the environment, Mr. Norton, in the very near future to work out a very suitable arrangement to cover the shortfall. I hope the parliamentary secretary in responding this evening will be able to report further to us on that meeting and the developments from it.

• (2220)

Equally important to that matter is the question of the payment of these funds. I should like the parliamentary secretary to report on that tonight. Under the previous program, the community services contribution program, the municipality would construct the infrastructure, the sewer and water system, and then wait sometimes six months or a year to actually be reimbursed for it. In the days when interest rates were 3, 4, or 5 per cent, that procedure may have been acceptable. But in this day and age when small municipalities are paying up to 20 per cent and more for money to carry massive projects like this one, involving more than $1 million for a year, they are faced with several hundreds of thousands of dollars in interest and carrying charges.

I put the question to the minister in the House on October 27, which happened to be the same day on which the minister announced the program. I asked whether the minister would consider advancing the payments from the federal government under this program as the work progressed which would save municipalities, many of which are strained to capacity attempting to finance major projects, literally hundreds of thousands of dollars. The minister said that he had not had an opportunity to work out the exact details of the program with the provincial government, but that he would certainly take my representations into consideration.

I hope the parliamentary secretary in responding in the House tonight will respond in a positive fashion to that suggestion. It is not only desirable, it is absolutely essential. We are not talking about only three or four municipalities in my constituency. We are talking about literally dozens of them across the province of Ontario, all of which will take advantage of the Great Lakes Water Quality Agreement during the next three years.

I plead with the minister and the parliamentary secretary to follow the suggestion I made in the House a few days ago and to ensure that no more additional costs are loaded on to these hard-pressed municipalities by requiring them to carry large financial burdens of high interest rates over a period of six months or a year or, in some cases, even longer.

• (2225)

Mr. Roger Simmons (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, first of all I should like to thank the hon. member for Algoma (Mr. Foster) for raising this issue again tonight and also thank him on behalf of the minister for his words of commendation to the minister both tonight and on October 27 when the minister made the announcement of increased assistance to municipalities for sewage treatment facilities under the Great Lakes Water Quality Agreement. This federal assistance will enable Ontario to put in place those facilities needed to honour Canada's commitment under the Canada-United States Great Lakes Water Quality Agreement with respect to municipal sewage treatment.

The hon. member raised the question of whether the minister of the Environment (Mr. Roberts) will consider paying the grants to the municipalities concurrent with the pace of construction, rather than at the end of construction, so as to avoid the municipalities having to finance these grants in the interim period. It is a viewpoint with which we have considerable sympathy. On October 27 the minister undertook to raise that issue with his provincial colleague, Mr. Norton. I am not in the position tonight to say whether that discussion has taken place.

The proposal of the hon. member for Algoma introduces a problem by virtue of the nature of the agreement under which we are funding the cleanup of this municipal pollution. The federal agreement will be with the province of Ontario, not with the municipalities.

Under the Canada-Ontario agreement it is the provincial government which undertakes to fulfil certain of the obligations of the Canada-United States agreement, and hence the implementation of the program lies with the province and the flow of federal grants is through the provincial government.

I would like to indicate that through our agreement with Ontario, the province will ensure the completion of municipal sewage works costing approximately $355 million in support of the international water quality agreement. Canada's share of this amount will be $65 million, which brings to more than $600 million the amount of federal money expended in the cleanup of municipal pollution.

The provincial government will submit to the Government of Canada certified statements of account for eligible expenditures on or about the end of April, July, October and January of each fiscal year. Interim financing charges incurred by the municipality during construction constitute one of the eligible project costs for which assistance under this program is provided.

To the extent that the municipalities are able to present their claims and to the extent that these in turn are presented to Canada in a prompt and efficient manner, financing costs relating to the federal grant contribution will be kept at a minimum.

Mr. Deputy Speaker: A motion to adjourn this House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at two o'clock.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 18, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

REGULATIONS GOVERNING ALLOWANCES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas every Canadian who volunteered for service during World War I and World War II in effect offered his or her life for the country, and every man and woman went where they were directed by the government—the soldier, sailor or airman had no choice of the theatre in which he served—I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the present regulations of the Department of Veterans Affairs providing veterans allowances only to those who served in an actual theatre of war outside Canada be amended, and that all applications from veterans be considered fairly without reference to where the enlisted person served.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

EFFECT ON INSURANCE INDUSTRY—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, the recent budget of the Minister of Finance (Mr. MacEachen) has knocked the foundations out from under Canadians making plans for the lifetime financial security of their families. Last year 85 per cent of Canadian families who bought life insurance policies grossed less than $25,000 in income per year. Now insurance industry figures indicate that the new budget will mean a reduction of 20,000 jobs in the industry across Canada, and up to 4,000 in the Kitchener-Waterloo area alone. Therefore I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That the Minister of Finance repeat his reversal of yesterday and remove his attack on average Canadians who want to protect themselves for the future, and that he instruct his officials to correct the chaos created in the Canadian insurance industry by the budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—CALL FOR RELEASE OF DANYLO SHUMUK, UKRAINIAN PATRIOT—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my motion concerns the plight of Danylo Shumuk, a 68-year-old Ukrainian patriot who has been imprisoned in the Soviet Union for many years. He is in failing health, and we now learn that he is to be sent into internal exile for the final five years of his imprisonment. Given that Mr. Shumuk has many relatives in Canada who would be glad to receive him, I move, seconded by the hon. member for Guelph (Mr. Schroder):

That this House strongly urges the Soviet authorities to review their intent to send Danylo Shumuk into internal exile, and that because of failing health he be released from prison to join relatives in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

MARINE TRANSPORT

INTERPROVINCIAL FERRY SERVICES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity in which the Minister of Transport (Mr. Pepin) will be interested. In view of the fact that the federal government is proceeding to abandon its responsibility to link the Atlantic provinces with marine transportation, beginning with a 50 per cent reduction in summer ferry service

between Nova Scotia and Newfoundland, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House requests the Minister of Transport to freeze ferry tolls at their present level, order the 21 new vessels CN Marine needs for east coast ferry and coastal services, and rescind the announced cutbacks of ferry service between North Sydney and Argentia.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

PROVISIONS AFFECTING CONSTRUCTION OF HOUSING UNITS—MOTION UNDER S.O. 43

Mr. Douglas Fisher (Mississauga North): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Yesterday the Minister of Finance (Mr. MacEachen) announced budgetary provisions which will permit the completion of 20,000 residential units, more than 1,000 of which are in my riding of Mississauga North, by providing the exemption of soft costs for sites under construction before January 1, 1982, as well as the deduction from income of the interest on funds borrowed by first-time purchasers of MURBs. I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That this House welcomes this new initiative and applauds the minister for responding immediately to Canada's housing need.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CANADIAN PACIFIC RAILWAY

USE OF ASBESTOS AS TRACK BALLAST—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, the Canadian Pacific Railway has used asbestos, instead of gravel, to stabilize or ballast some 90 miles of rail line in the eastern townships of Quebec. Given that scientists have determined there is no safe level of exposure to asbestos, a known cancer-causing agent, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House calls on the Department of the Environment to launch an immediate investigation into the matter with a view to requiring CPR to remove the asbestos from its rail lines in Quebec in order to protect the health of both the railwaymen affected and the public at large.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

ELECTION OF NEW DEMOCRATIC PARTY GOVERNMENT IN MANITOBA—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a matter of urgent and joyful necessity. Whereas the Manitoba Conservatives campaigned on a platform of economic restraint known as Reaganomics, and whereas the Manitoba Liberals campaigned on a platform of economic restraint known as MacEachenomics, I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

That this House congratulates the voters of Manitoba for rejecting both and electing a government that offers a positive economic future for ordinary people.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

PROVISIONS AFFECTING CONSTRUCTION OF HOUSING—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, on November 16 Calgary City Council was forced to pass a motion unanimously to spend $20,000 on an advertising campaign in eastern Canada advising Canadians of the housing shortage in Calgary. Calgary City Council's motion also urged the federal government to reconsider its decision to abandon the MURB program. Therefore, Madam Speaker, as Canada is now in the midst of a housing crisis of enormous proportions, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House no longer has confidence in the Minister of Public Works responsible for housing and the Minister of Finance for creating a crisis and disaster situation in housing, for threatening thousands of jobs in construction and other related industries across the country, and that the government reintroduced the MURB and soft-cost allowance program immediately to give urgently needed incentive and hope to people in need of homes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

METRIC CONVERSION

CALL FOR ABANDONMENT OF PROGRAM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the *Wall Street Journal* reports that the United States metric board has been told by the Reagan administration to "walk its last kilometre" by March 31, 1982. In the United States highway signs will stay miles per hour, the national weather service will report in degrees Fahrenheit, and retail food stores will continue to deal in pounds and ounces. Therefore I move, seconded by the hon. member for Burlington (Mr. Kempling):

That we abandon this forced march to metric and get in line with our major trading partners and thereby save hundreds of millions of dollars by staying with our traditional units of measurement, imperial. It is only by such a course that the government can truly display restraint.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

SUGGESTED EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in this deepening recession every assistance must be given to growing small businesses. If small business bonds for new growth were appropriate last February when the minister thought we were in good times, surely this form of interest cost assistance is more appropriate now when clearly the economy is in a tailspin recession. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the Minister of Finance today on motions correct the foolish error he made in his budget and extend the small business development bond for the purchase of new equipment for the full year, 1982, and so give small business some encouragement to expand.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

ADVICE OFFERED BY CANADIAN FEDERATION OF INDEPENDENT BUSINESS SPOKESMAN

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Minister of Finance. As I am sure he is painfully aware by now, Mr. John Bulloch, who represents some 62,000 Canadian independent business men and women, had a press conference this morning, at which time he declared war on the minister's budget. He called it the greatest threat to enterprise since the Benson white paper in 1969, and I quote:

Bulloch accused the Department of Finance officials of demonstrating a shocking lack of practical knowledge of the business community and unconscionable ignorance of the functioning of capital markets.

As the tide rolls in as far as adverse comment is concerned and as far as jobs and the budget's impact with respect to investment are concerned, is the minister willing to take Mr. Bulloch's advice and to refer this matter to a standing committee where we can have public hearings on it?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I believe that the hon. member is making the same mistake the president of the Canadian Federation of Independent Business made this morning. Madam Speaker, if members of the opposition want to answer on my behalf, they should form the government. However, since they were defeated over a year ago, they might be better off listening to the answers given by the ministers. Madam Speaker, if the hon. member had taken the trouble to read the budget, he would know that in addition to increasing the annual income limit for small business corporate tax rates from $150,000 to $200,000, in addition to exempting small business from corporate surtax, and to reducing the cost of unemployment insurance premiums for employers and, Madam Speaker, in addition to extending the Small Business Development Bond, measures which will cost the government about $400 million, which means $400 million more in the pockets of Canada's small businesses, the hon. member will realize that his question is totally unfounded, Madam Speaker.

[*English*]

Mr. Speyer: Madam Speaker, that is just an inadequate answer from an inadequate minister.

LIMITATION ON INVESTMENT INCOME DEDUCTIONS

Mr. Chris Speyer (Cambridge): My supplementary question is directed to the Minister of Industry, Trade and Commerce. There are many, many repugnant aspects within the budget, but there are none more repugnant than the notion of limiting the amount of interest which can be deducted with respect to

investment. The minister knows, from the studies within his own department, that 90 per cent of new business ventures are financed by loans from friends, neighbours, from relatives, and also from business associates. How can the minister possibly justify this particular action in these circumstances where no one in their right mind will make investments, and which will have such a deleterious effect on jobs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the Minister of State for Small Businesses has given very important information to the House concerning the value of this budget for small business. It is a major source of development, innovation, and job creation in Canada.

Mr. Wilson: Not any longer.

Mr. Gray: The over-all thrust of the budget is to create a strong climate for growth and job creation. I am surprised my hon. friends have missed this important reality.

CAPITAL COST ALLOWANCE PROVISIONS

Mr. Chris Speyer (Cambridge): My final supplementary question, Madam Speaker, is directed to the Minister of Finance, who I hope might respond to this question. The minister will know of the massive tax grabs within this budget, but none are more massive than the $2 billion the government will take over a three-year period as a result of the new limitation on capital cost allowances. It was in 1972 that the capital allowance system with respect to manufacturing was implemented by the Hon. John Turner. One fifth of the jobs in Canada are created in manufacturing. How can the minister justify taking $2 billion from the private sector and transferring it to the public sector?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the necessity to justify that situation does not arise, because that is not what is taking place. If the hon. member had understood the situation he would have known that there is no increase in the total revenue received by the Government of Canada as a result of the change in the capital cost allowance. The total aggregate of tax payable is not increased by one dime. The hon. member does not know that. He ought to understand the budget before he gets up and asks questions.

● (1420)

Some hon. Members: Hear, hear!

TAX EXEMPTIONS FOR FOREIGN DOMICILED DEPENDANTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is also for the Minister of Finance. Last Thursday in his budget, Canadian taxpayers learned they could no longer deduct support payments to their mums, dads and grandparents overseas. Can the minister please explain to this House how he differentiates between supporting families in Brampton, Georgetown, Toronto and Vancouver and supporting parents in London, Tel Aviv, Athens or Rome?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has drawn attention to the change in the exemptions that can be claimed for dependants abroad. The hon. member may want to examine the facts that have been brought forward by the Department of National Revenue which indicate that a very large abuse exists in such claims and that many claims are put forward for non-existent dependants abroad and that it has been impossible for the Department of National Revenue in any effective way to ensure that these exemptions are not fraudulently based. It was on the advice of the Department of National Revenue that this particular change has been made.

If the hon. member is interested in equity in the tax system—

Mr. McDermid: There is no equity.

Mr. MacEachen: —he should be interested in a conclusion that does not provide particular taxpayers with a way of avoiding personal income tax which is not available to other taxpayers. That is the effect of that particular change.

The hon. member is attempting to draw attention away from the very equitable basis upon which this proposal is made.

REQUEST FOR CHANGE IN SYSTEM

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, if there is abuse of the system, why does the government not prosecute those who are abusing the system rather than wiping out the system?

Some hon. Members: Hear, hear!

Mr. McDermid: Why would the minister not change the system rather than penalizing people who legitimately support their dependants overseas, many of whom rely on that support to keep life and limb together? Is it not simply a matter of the Minister of Finance grabbing more tax dollars, and of yet another attack by the Liberal government on the family?

Mr. McLean: He has thrown the baby out with the bath water.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there is nothing in the proposal that will prevent individuals from supporting their dependants anywhere in the world. What is attempted in the proposal is to provide an exemption for immediate dependants, namely, spouses and children.

Mr. McDermid: There is no abuse then.

Mr. MacEachen: That seems to be a reasonably manageable situation. But any individual is still free to send any amount of money out of the country to other dependants; in this case it

cannot be an exemption as a basis for lowering the tax. That is the difference.

Mr. Clark: That is anti-new Canadian.

* * *

LABOUR CONDITIONS

REQUEST FOR ANNOUNCEMENT OF NEW JOB CREATION MEASURE

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Minister of Finance. Every day literally hundreds of Canadians are losing their jobs. Since August alone 50,000 men and women have been laid off. Considering that just yesterday the minister yielded to pressure from the business community to make certain changes in the budget proposals for their benefit, will he today be prepared to announce some new job-creation measure which will bring relief to the more than one million unemployed Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asked the same question yesterday on job creation, which I answered.

• (1425)

Let me tell the hon. member that the change which was made yesterday was not in response to representations from the business community, but in response to representations made by members on this side of the House and by individuals in the country who were interested in ensuring that rental accommodation programs already in place would not be disturbed and arrested because of the elimination of MURB provisions, so I extended until the end of December the inclusion of particular costs for deductibility in order that all existing programs in the housing field should go ahead.

The hon. member is again distorting the impact of a particular measure that I announced in the House in response to representations from members of the House, the effect of which is to help people seeking apartments in this country, not to help high-income owners of apartment buildings. The hon. member has it all wrong again.

An hon. Member: Hear, hear!

INDUSTRIAL AND LABOUR ADJUSTMENT PROGRAM

Mr. Edward Broadbent (Oshawa): Once again, Madam Speaker, we got no announcement of a significant job-creation program. That was the gist of the minister's answer. I will try another minister who has vaguely expressed concern about unemployment from time to time, and that is the Minister of Industry, Trade and Commerce. He has cited the great efficacy of the Industrial and Labour Adjustment Program. Considering that this program has been in operation for more than a year and has done almost nothing in terms of providing jobs—in fact in Windsor with a need for some 11,000 new jobs it has provided only 184, and in the area of Sept-Îles with an unemployment rate of 25.4 per cent only 80 new jobs have been created—is the minister at long last prepared to stand up and demand of the Minister of Finance some new job-creation program?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the Industrial and Labour Adjustment Program has over $300 million assigned to it by this government, and in the coming weeks and months I expect to see a much more vigorous use of these funds in order to expand our existing job-creation activities. I again repeat, a basic thrust of this budget, especially the assistance for the small business sector will, in my view, have a major positive effect on job-creation throughout this country because small business is a major source of job creation across Canada.

Mr. Broadbent: Thank you for the recorded announcement.

[*Translation*]

LAY-OFFS IN QUEBEC—REQUEST FOR JOB-CREATION PROGRAMS

Mr. Edward Broadbent (Oshawa): My question is for the Minister of Regional Economic Expansion. The figures for the various regions of Quebec reflect as well a setback and even a deterioration of economic activities. General Motors announced last week that 3,500 workers will be laid off, Canadian Admiral will close its doors and, thirdly, 610 Pratt & Whitney employees will be given their walking papers. Here is my question: Why is there no new job-creation program in very high unemployment regions such as Quebec?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I would like to remind the leader of the New Democratic Party—it probably slipped his mind—that one of the basic documents tabled by the Minister of Finance on budget night features the government's over-all economic policy guidelines for the 1980s. One of the major points announced by the government in that document is that the integration of the regional dimension in the sectorial policies of the government will become a constant factor in all our policies.

• (1430)

[*English*]

I am very surprised that the hon. member has not read that document. It says very clearly—

An hon. Member: We read it in five minutes.

Mr. De Bané: —that the question of the development of every region will become central in the decision-making process of this government. We have also announced a strengthening of our capacity not only to bring the information from the regions to the highest levels in Ottawa but also to concentrate on each region.

Some hon. Members: Hear, hear!

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER FOR FOREIGN AFFAIRS OF THE REPUBLIC OF IVORY COAST

Madam Speaker: I wish to draw the attention of the House to the distinguished presence in our gallery of His Excellency Mr. Siméon Aké, Minister for Foreign Affairs of the Republic of Ivory Coast.

[*English*]

PRESENCE IN GALLERY OF MEMBERS OF THE CABINET AND LEGISLATIVE COUNCIL OF THE NORTHWEST TERRITORIES

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Members of the Cabinet and Legislative Council of the Northwest Territories.

Some hon. Members: Hear, hear!

* * *

THE BUDGET

ISSUANCE OF ADVERTISEMENT BY CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is directed to the minister responsible for housing. Yesterday the minister said that the advertisement containing budget information was, and I quote his exact words:

—not authorized until following a meeting of the cabinet committee on communications, Friday, November 13, at approximately 12.30 p.m.

He went on to say:

After reviewing that ad with suggested changes, authorization then was given for the use of that ad in advertisements the following day, November 14.

That is the end of the quote.

How can the minister stand behind such blatantly inaccurate statements when the advertisement was actually authorized camera-ready for printing, and in the hands of numerous newspapers, before cabinet approval, and how can he say that the cabinet authorized printing of the advertisement for November 14 when, in actual fact, it was ordered and authorized by Vickers and Benson on November 9, three days before the budget, for publication on November 13?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have had the opportunity since responding to the questions yesterday afternoon to speak to officials on this matter. I would confirm that the story reported in *The Globe and Mail* today, on page 8, does consist of the facts as I understand them. The facts are correct that, first, no publication of any material affecting housing in the budget was printed until after the budget, that is, November 13.

Some hon. Members: Hear, hear!

Mr. Cosgrove: I also confirm that no material pertaining to that advertisement was in the hands of the firm to which the hon. gentleman has just referred. Indeed, their work for Canada Mortgage and Housing Corporation was to obtain space, which they did.

I would add, finally, that after the budget was deliverd in this House, representatives of Canada Mortgage and Housing Corporation released an advertisement, which was then taken to the newspapers after the budget was delivered by the Minister of Finance in this House.

Some hon. Members: Hear, hear!

TELEGRAM SENT BY ADVERTISING AGENCY

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, the minister with his misinformed tongue is apparently allowing it to run away with his mouth, as usual.

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Some hon. Members: Question.

Mr. Cossitt: If the jackals will be quiet, I will refer the minister to a telegram sent by Vickers and Benson on the day of the budget, addressed "Urgent to all advertising managers re: CMHC", the wording of which I have here, identifies the advertisement by its actual heading. How does the minister explain the fact that, despite his denial and that of Vickers and Benson, the advertising agency was able to quote from the CMHC advertisement before cabinet approval, which he says was not given until a day later? How does he explain that an official of Vickers and Benson told my office yesterday that they had the CMHC ad material, and I quote the exact words used, "We sent the material out on Wednesday", and Wednesday was the day before the budget? I ask the minister to tell us what was the exact sequence of events.

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the last thing I would do in this House, or in my responsibility as a minister of this government, going on my very brief experience, would be to rely on anything quoted by anyone to that member opposite.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Cosgrove: The member has taken a telegram which referred to space taken in newspapers across the country to assist Canadians and members of this House to explain the government's proposed plan. It referred to it by one word, "Attention", and that is the only information that Vickers and Benson had, one word. That is how it described the ad.

Mr. Cossitt: Now you are starting to admit something.

Mr. Cosgrove: Now, Madam Speaker, that material was released after the budget. It was sent to newspapers the

following morning after question period. I attended a meeting of the communications committee of cabinet because I wanted the advice of my cabinet colleagues as to whether the initiative I had taken to put that material in the hands of newspapers—

An hon. Member: Impossible.

Mr. Cosgrove: —on the weekend was adequate. They said it was, and it was released for large distribution on the weekend.

An hon. Member: How could it have been?

TIMING OF ORDERS PLACED BY ADVERTISING AGENCY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is also for the minister for housing.

Some hon. Members: Oh, oh!

An hon. Member: Not again.

Mr. Beatty: I can understand their unease after the minister's answer.

Some hon. Members: Oh, oh!

Madam Speaker: Order.

Mr. Beatty: Madam Speaker, my question is for the minister responsible for housing. The House will recall that on numerous occasions, including yesterday, the minister responsible for housing indicated to the House that the first time he became aware of any provisions in the budget relating to housing was just a few minutes before the budget speech was given by the Minister of Finance in the House of Commons. If that is the case, why did Vickers and Benson send out orders on the evening of November 9 requesting space to run an advertisement announcing the housing provisions which would be announced in the budget some days later?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, obviously the hon. member has forgotten that I was requested by many members on the opposite side, and I am not sure whether by him in particular—

An hon. Member: You are not sure of anything.

Mr. Cosgrove:—to assist home owners in this difficult time of high interest rates. I worked three months in preparation, advising the government on its preparation for the budget to deal with that very problem. I took the initiative to have Canada Mortgage and Housing Corporation prepared to respond as quickly as possible in light of the interest, not only in this House, but across the country, in the problems of high interest rates faced by home owners.

I am really surprised, Madam Speaker, in light of the requests that come from the opposite side—as late as today there was a request by a member for assistance from me to help one of his constituents—

An hon. Member: What are you there for?

Mr. Cosgrove: —that I should be criticized for taking initiatives to help them.

Some hon. Members: Hear, hear!

ROLE OF CABINET COMMUNICATIONS COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, you will note that in the minister's hysterical response he did not answer why it was that Vickers and Benson, if he knew nothing about the budget, was reserving space on November 9, well before the budget was brought down.

Some hon. Members: Hear, hear!

Mr. Beatty: The minister's whole defence is that, when it comes to housing, nobody tells him anything.

My supplementary question is for the Secretary of State, who is chairman of the cabinet committee on communications. Would the minister tell us why if Canada Mortgage and Housing Corporation had already sent the advertisements out—they were printed in some papers on the Friday morning—why was it that the cabinet committee on communications did not even consider the ads until lunch time? Also, why was Vickers and Benson asked to reserve time and space when the government has the Canadian Media Corporation on contract to the tune of some $2,430,000 to do that?

Hon. Gerald Regan (Secretary of State): Madam Speaker, the hon. member, in his lack of understanding of the system, has combined a number of rather unrelated questions. It might take longer than the time given to me to respond in this House, to educate the hon. member. He might be aware, as I indicated yesterday, that ads are often placed without the recommendation of the communications committee, because it is obviously not possible for every ad to come before that committee. What the honourable and distinguished minister, who is doing a good job for the people in battling housing problems in this country, did, was to come to the communications committee to talk about an ongoing program explaining the provision of housing assistance in the coming weeks and, in the course of that, he presented the ad which had been approved the night before and sent out.

● (1440)

Some hon. Members: Oh, oh!

Mr. Dick: You'd better get your stories straight.

Madam Speaker: Order.

Mr. Regan: Despite the howls of glee on the other side, I want to reiterate what I just said, because there obviously is some collective misunderstanding on the benches opposite. What I said was simply that he came to the cabinet communications committee for a discussion of plans for ads in the coming days, and he brought with him an ad, which the hon. member and other hon. members have referred to as appearing

in the paper that morning. This was the first connection the cabinet communications committee had with it.

The hon. member then asked a number of other questions which are hard for me to remember. However, he asked why this had not gone through the AMG. Many ads are placed by departments directly. There is a vast number of ads dealing with such matters as recruiting, tenders, and various other subjects.

* * *

[*Translation*]

IMPACT ON EXPANSION OF SMALL BUSINESS

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister responsible for Small Businesses and Tourism. On the subject of the small business development bond program, a measure that was greatly appreciated by Canadian businessmen during the past year, could the minister tell us, following the budget that has just been brought down and for the benefit of Canadians, especially Canadian businessmen, and for the benefit of the official opposition which seems to have trouble understanding our new budget, could the minister tell us what impact the new budget will have on this measure?

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I am happy to inform or rather to reconfirm to the House and especially to Canadian businessmen and women that the small business development bond program has been extended for one year, in fact requested by most members and the majority of associations representing small businesses in this country. In addition, Madam Speaker, the program has been extended to all unincorporated businesses. I remember that many members and especially the member for Kamloops-Shuswap (Mr. Riis) repeatedly asked to have the measure extended to unincorporated businesses. Its application has been restricted to businesses in financial difficulty, because that was the original objective of the program which was aimed at giving assistance to those needing it most.

* * *

[*English*]

EFFECT ON RETIREMENT INCOME OF FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Finance, and it concerns the elimination of annuities for retiring farmers. As the minister knows, when many farmers sell their farms they do not have pensions, and they live off annuities as a form of retirement income.

Let me refer, for example, to the real case of one farmer with three quarter-sections of land. The figures I have, which have been worked out by a Saskatchewan accounting firm, show that if this farmer sold his three quarter-sections of land, under the old rules his taxes would have been $5,000, and under the new rules, after the budget, they will be $72,000.

I would like to ask the minister how he can justify the increase of tax in the year of sale from $5,000 before his budget to $72,000 after his budget. Is this not blatant discrimination against the small farmer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think there is anything in the budget which would justify those numbers. If the hon. member would give me the details of the case, I will have them examined in detail and remove, I trust, some of his apprehensions.

The purpose of most of the provisions in the budget is to avoid a deferral of tax for certain taxpayers when such a deferral cannot be enjoyed by the vast majority of taxpayers or tax filers in our system. There have been many transactions up to the present time in which in some cases indefinite deferrals of taxes have been permitted, and those deferrals have not been available to the vast majority of taxpayers who depend on employment income. It is in order to remove these inequities that certain changes have been made so that all taxpayers will be contributing in a similar way. There is absolutely no effort to discriminate against any particular class of taxpayer, but it is impossible for me to judge a particular case, and I will want to get more information.

REQUEST FOR EXEMPTION FOR CERTAIN FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, since most farmers do not have pension plans but rely on the sale of their farms for retirement income, I wonder if the minister might consider a basic exemption for farmers who are in that category—and, indeed, small businessmen—because not only do they lose immensely on taxes in the year of the sale but, according to the accounting firm, a small farmer with three quarters of a section of land would find himself in the years after a sale losing about $6,000 of income annually. Would the minister consider an exemption for farmers who are in that kind of situation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the purpose of the changes which have been included in the budget has been to establish a broad sense of equity in the tax system so that individuals in receipt of investment income or capital gains will be treated on a reasonable basis with taxpayers receiving their incomes from employment. The broad thrust is equity. It is not to add to inequity which may exist in the tax system. For that reason I would be pleased to consider any suggestion that would enhance the equity I am attempting to create within the tax system.

CMHC ADVERTISEMENT—INFORMATION RELATING TO HOUSING PROVISIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the minister responsible for housing, who chose his response very carefully. He indicated that there had been no publication prior to a certain date. As he knows from the exchange yesterday, what is at issue here is not the date of publication but the date of advance release of information contained in the budget. The minister has said that he knew nothing about the contents of the budget on November 10, although Vickers and Benson advertising was reserving space in his name on November 9, the day before he says he knew anything.

An hon. Member: So what?

Mr. Clark: "So what," the Liberals ask. "So what" about the breach of budget secrecy. "So what" about the waste of public taxpayer money.

Some hon. Members: Hear, hear!

Mr. Clark: My question to this "so what" minister of this "so what" government is very precise. Can the minister tell the House of Commons exactly to whom this detailed budget information was given? To what individuals, inside or outside government? When was it given, and on what authorization was this detailed budget information given?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have to say again to the Right Hon. Leader of the Opposition that no material was released from the government to the public or to anyone until after the Minister of Finance had completed his budget speech in this House on budget night. I wish to make that clear. There was no breach of secrecy whatsoever.

As the minister reporting to this House for the CMHC I am discouraged at the thrust of questions such as this one from the Right Hon. Leader of the Opposition. Over the last three weeks the Leader of the Opposition and the Leader of the New Democratic Party have been tripping over one another to release to the public secrets of what they perceived and thought to be a secret document prepared for budget consideration.

• (1450)

QUERY RESPECTING PUROLATOR FIRM

Right Hon. Joe Clark (Leader of the Opposition): The minister's revised position now is that there was no information made available to the public. It will be interesting for the House to know what he defines by the "public" because of their contractual relations with Vickers and Benson, Purolator and others. We would still like to know the exact information and dates on which that detailed budget information was made available outside the bureau of the office of the Minister of Finance. We would like to have that information.

I should like to ask a question about Purolator, the organization which carried this advertisement to some 140 newspapers, by the minister's evidence, across the country. On what precise date and by whose authorization, and by whose foreknowledge, was the information made available to Purolator?

Hon. Paul J. Cosgrove (Minister of Public Works): The preparation of the material in question was undertaken by officials of Canada Mortgage and Housing Corporation who worked with me, as I have indicated, over the last few months, giving advice to the minister in anticipation that there would be relief offered in the budget to the mortgage renewal situation. Because of that, space was reserved in the newspapers, on my instructions. At eight o'clock on the evening of the budget I indicated that the material, as I understood it, could be released as reflecting the position of the government.

An hon. Member: You did not say that yesterday.

REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): This statement is contradictory to what the minister said yesterday in the House. Let me ask the Secretary of State of Canada a question regarding Canada Media Corporation to which this government is paying over $2 million to do the job that apparently Vickers and Benson is doing. Why was Vickers and Benson involved in this particular transaction if the Government of Canada has retained Canada Media Corporation at $2 million to do exactly what Vickers and Benson did in this case?

Because there apparently was the issuance of budget information released outside the office of the Minister of Finance prior to its publication in the budget, in the House, on the evening of November 12, by the minister of housing's admission, and in light of the fact there is this controversy about the possible premature release of this information to newspapers across the country, will the minister give this House an undertaking that he will refer this whole question to the appropriate committee of this House so that we can put detailed questions and receive detailed answers as to exactly what went on here, who was told budget information prior to its publication, what was the role of Vickers and Benson and the role of Canada Media Corporation?

Hon. Gerald Regan (Secretary of State): Madam Speaker, I am not sure I can give the hon. member any information that will help him in his witch hunt. I suggest to the hon. member that I may be able to give him a better understanding of the system with which he is concerned. First of all, an advertisement that is placed by a government agency, such as CMHC or Crown corporations, does not usually follow the same procedure as advertisements that are placed by government departments. It would be less likely that CMHC would have occasion to be involved in such a circumstance or the cabinet committee on communications.

In relation to the other part of the question, that might be more properly directed to the minister. I should like to point

out to the right hon. member that it is not at all unusual for a minister, who has made representation to the Minister of Finance as to what he hopes to have included in the budget, to make preparations to advertise, in the hope and confidence that the minister will follow his recommendation, but, nevertheless, he is in the position of not knowing, until the budget is introduced or until he is briefed in the hour before the budget is introduced, whether it will or will not be budget material.

Because the minister in question did not have the sealed envelopes delivered until after the budget was introduced in the House, this showed, indeed, that he was not sure whether the information would actually be contained in the budget. It certainly confirms and strengthens the position the minister has put forward.

* * *

[*Translation*]

REFORM OF PENSION LEGISLATION—INQUIRY RESPECTING MINISTER'S PLANS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of National Health and Welfare.

In view of the statement in the budget that government tax revenues will not be sufficient to provide for any new social measures, and that substantial cuts are expected because of inflation, what are the minister's plans with respect to pension review?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, first of all I would like to point out, if I may, that the preamble to this question cannot be assigned the slightest credibility. I do not know, and the hon. member has not told me, where he got his information.

Obviously, at this point we cannot launch new programs for social spending. However, we have managed to hold on to indexing of all Canada's social programs.

That being said, I am grateful to the hon. member for giving me an opportunity, and I shall make use of it immediately, to point out that the study on pensions in the private sector in Canada will probably be the most important document on social reform to appear in the eighties.

I have not yet heard the official position of the New Democratic Party on the subject, and we are still waiting to hear the views of the Progressive Conservative Party. On this side, we shall be publishing a green paper, very shortly, which will show Canadians what kind of changes we would like to see and for which we would like their commitment, to help us take measures that will benefit all Canadians.

INCOME TAX CREDITS—MEASURES TO MAKE TAX SYSTEM MORE JUST—MINISTER'S POSITION

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, the minister is actually talking about the whole pension system, since instead of addressing the review of the public sector's system and the Canada Pension Plan, she is referring to a review of the situation in the private sector and corporate pensions, which is indeed a dramatic shift in Liberal policy.

The minister is witnessing substantial cuts in social spending and is aware that the Canadian Council on Social Development has criticized this reactionary measure in the budget. In view of the minister's statements in favour of tax credits to make our tax system more equitable, and considering the fact that the system now being proposed by the Minister of Finance gives more benefits to the rich and less to the poor, how can the minister remain a member of a government that has rejected all her social and fiscal proposals?

Hon. Monique Bégin (Minister of National Health and Welfare): For a very simple reason, Madam Speaker. I have less trouble understanding what I read than the hon. member does. It seems to me he has missed the point entirely, and in any case, I do not think he knows what he is talking about. Regarding his first question on pension, the expression "pension review', has been used for a year and a half because on this side of the House, a study on corporate pension review was started a year and a half ago. When he refers to the review of pensions in the public sector, he should know, and there have been references in *Hansard* for months, that this government, as soon as the economic situation permits, intends to give first priority to completing the work started and consolidated in July 1980; that is, to bring single persons above the poverty line by supplementing the $420 given in July 1980. I think this is quite clear, and I do not see what his problem is.

* * *

[*English*]

THE CONSTITUTION

RECOGNITION OF WOMEN'S RIGHTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have a straightforward question that is directed to the Prime Minister, regarding the constitutional proposals. Will the Prime Minister confirm that all of the provinces, except Saskatchewan, have now agreed to the inclusion intact of the equality clause, Section 28, as it was introduced to the House of Commons earlier this year with unanimous approval by all parties of this House?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the negotiations on this particular subject have been going on for several days because it was a matter of clarifying what the premiers intended when they signed the accord. There has been, effectively, disagreement between them as to

what particular interpretation should be given to a particular section. I can only say that to this moment it has been impossible to get all nine premiers who signed the accord, on the same wavelength, and to agree to the same text.

Mr. Blackburn: You do not have to worry about Sterling Lyon any more.

Mr. Trudeau: Since we told the provinces that we would be tabling the resolution in its final form today, as a direct answer to the hon. lady's question I must say that there is more than one province which disagrees with the complete restoration of the section as it was. Therefore, in the spirit of the accord, I think we will have to go with a modified version of the text that we had originally proposed, not only in the resolution which has been before the House for a year, but also in the drafting sessions. I do not think it is appropriate to point out any particular province. There has been a great deal of negotiations going on, but obviously there is some lack of unanimity among the provinces as to what was intended in the accord.

* * *

PETITION

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the Report of the Clerk of Petitions stating that he has examined the petitions presented by the hon. member for Fundy-Royal (Mr. Corbett) and finds that they meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. McGRATH—ALLEGED BREACH BY MINISTER OF BUDGET SECRECY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question of privilege concerns questions raised in the House today and yesterday directed toward the minister responsible for housing, notice of which was given to Your Honour in accordance with the provisions of the Standing Orders.

Sir Erskine May, in his current edition, in Chapter XXX, referred to the importance of budget secrecy. It is a well-known convention, although I would say that it has more than the force of a convention, that budget secrecy is absolutely essential if the government is to enjoy the confidence of the House. It goes beyond that because if we are to subscribe to the convention of budget secrecy, and if others outside the House, outside cabinet, are to be given information before that information is given to the House, then I submit that it is a violation of my privilege as a Member of Parliament. That

argument has been made before and it has been entertained by the Chair.

As reported on page 12837 of yesterday's *Hansard,* Madam Speaker said:

> What is at issue is the matter of secrecy of the budget, which is not to be dealt with under privilege.

I submit with respect that it is a matter of privilege; it is a matter of my privilege. If the budget is released to others outside the House before it is delivered to the House, my privileges as a member of the House have been violated. That is the whole pith and substance of my argument, but it goes beyond that because Madam Speaker said that I have to lay a charge. I do not have to lay a charge. All I have to do is to present to you evidence which in your opinion would constitute a prima facie case. Madam Speaker has to rule whether or not that evidence constitutes a prima facie case of privilege. It is then up to the House or a committee of the House to rule on the matter of substance itself.

I referred to the matter involving the hon. member for Kenora-Rainy River (Mr. Reid). I think that is very important and very germane to my case because at that time the hon. member for Oshawa (Mr. Broadbent), the Leader of the New Democratic Party, was successful in placing before the House an amendment which was in fact accepted by the Chair, by your distinguished predecessor. The hon. member was not asked to lay a charge; he was not asked to stake his seat on it. He merely presented an amendment that contained very serious allegations, which is precisely what I am trying to do. I think the House should be aware of what that amendment said. It read:

> —and that the said member had advance knowledge from official sources of amendments to be proposed to a bill emanating from the said budget and conveyed that knowledge to businessmen.

At that time the Speaker did not immediately ask the hon. member to stake his seat on that charge, because that was a charge. Mr. Speaker merely accepted that motion as an amendment to the motion before the House. It was put to the House and it was agreed to. It so happens that subsequently the committee found that the hon. member was not in fact guilty of betraying budget secrets to a businessman or to anybody else, and he was exonerated. It is conceivable that if this matter is referred to a committee, the minister for housing could very well be exonerated. That would be the end of it and I would not lose my seat. But Parliament will at least have been given an opportunity to examine the evidence, an opportunity which we cannot possibly have within the precise four corners of question period. It is impossible to go into the kind of detail in question period that can be done in the course of a committee hearing. I submit that the evidence is mounting and, notwithstanding the assurance today of the minister of housing whereby he stated categorically that there was not a budget leak, there is mounting evidence that there were persons outside of cabinet, outside the House, who had knowledge of the budget prior to the budget being delivered to the House.

If this matter goes to committee, I would attempt to establish that it is physically and logistically impossible for an

advertising agency and for a courier like Purolator to be given the go-ahead and to be given copy for an advertisement on Thursday night at eight o'clock and for that advertisement to appear in papers across the country the next day, Friday. That is physically and logistically impossible. If Your Honour accepts my prima facie case, I would establish that in committee. I have already established it to my satisfaction by checking with Purolator, by checking with the airlines and by checking with various newspapers. Either the minister of housing has been badly misled or, more seriously, the minister is misleading the House. In any event, the House is entitled to determine the facts. That is all we want, an opportunity to determine the facts.

I do not know the origin of the myth that every time a member rises to state that he has evidence indicating a serious wrongdoing by the government, he has to stake his seat on it. That has no basis in historical fact, in my opinion. It is a dangerous myth which has crept into the proceedings of the House which can only serve to restrain further members of the House in appealing to the Chair as the custodian of our rights and privileges. I appeal to Madam Speaker, as the custodian of our rights and privileges, as one who has conferred upon her the mantle of infallibility. We cannot challenge your rulings, and rightly so. But the fact that we cannot challenge your rulings makes it incumbent upon Your Honour to think very carefully before you rule, because your rulings will stand as precedents by your successors and could in fact serve to restrict even further the rights and privileges of members of the House.

I submit that there is evidence. Evidence has been produced during the course of question period both yesterday and today. There is further evidence to be produced. Witnesses should be heard. They should be examined, if necessary, under oath. The minister of housing should be examined. The president of CMHC should be examined by the committee. The president of Vickers and Benson should be examined, the courier should be examined—all these people should be examined so that we can determine the facts. If there was no budget leak, that is well and good but if there was then obviously the convention dictates that the Minister of Finance (Mr. MacEachen) has to resign.

● (1510)

If you find that I have a prima facie case of privilege, I would therefore move, seconded by the hon. member for the Yukon (Mr. Nielsen):

That the advertisement which appeared in the Brockville *Recorder and Times*, on the morning of November 13 over the authorization of the minister responsible for housing, contains budgetary information which was in the hands of the said Brockville *Recorder and Times* prior to the reading of the budget in the House on November 12, 1981 and which constitutes a prima facie breach of the privileges of the House and that it be referred to the Standing Committee on Privileges and Elections.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I think it is quite important to note that my friend on the other side has referred to Erskine May. The reason he has done that is that there is no reference either in the Standing Orders or in Beauchesne that would suggest that in the event that a budget leak occurs, it constitutes a breach of privilege. There is no precedent for Your Honour to find a prima facie case of privilege on this alleged leak or any other leak, Madam Speaker.

My friend has referred to Erskine May, nineteenth edition, at page 787 where this statement appears: "—budget resolutions . . . which by their nature must be secret until the financial statement is made—." That is the only reference to it. The principle that is spelled out is that this may have become a political convention, it may have become a custom and it may have become a courtesy of the House, but in fact there is no precedent to suggest that this constitutes a breach of privilege.

Before a motion can be treated as privilege I would submit that you, Madam Speaker, must find that a prima facie case of privilege exists.

My friend has used the Reid case as an example. I think it can be distinguished quite clearly from the facts before us at the moment because in that particular case the motion presented by the hon. member for Kenora-Rainy River (Mr. Reid) claimed that it was his privilege as a member of the House that had been offended by a newspaper report. I think it appeared in the Montreal *Gazette*.

If we are looking for precedents in the House, that best occurred in 1924 and that was the Porter case. I should like to refer my friend to the *Journals* of the House of Commons for Thursday, May 22 1924 when a motion was made by Mr. Porter which reads in part as follows:

The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa Branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain information he had received, as such minister—

It goes on to say that he had done this to his advantage. The motion was passed and the matter went to committee, which had the power to call witnesses and make whatever investigation it thought appropriate. The second report of the committee was issued on June 17, 1924, and is reported in part at page 402 of the *Journals* for that date as follows:

The Committee finds that the Honourable Jas. Murdock did nothing in connection with the withdrawal of such money from the Home Bank contrary to his obligation as a Minister of the Crown, or in derogation of his office and the honour, dignity and traditions of Parliament, and that the charge submitted to this Committee for investigation, so far as it affects the honour of Mr. Murdock, is not only not proved but entirely disproved.

The significant word is "charge", Madam Speaker. I would refer my friend now to *Journals* for June 27, 1924. Mr. Porter, the member who had made that charge in the House, read a letter to the House which contained the following statement:

I shall therefore place myself without delay in the judgment of the electors of my constituency, the West Riding of Hastings, and ask them to pronounce upon my conduct, upon the one hand, and the conduct of the Minister of Labour and the government and its supporters, on the other.

He resigned his seat. A byelection was held and the member who had made the charge, which the committee rejected after investigating the facts, was not re-elected in the byelection.

If we are looking for a precedent, that one pertains to the facts that are before us today. This is not a place in which we

trigger witch-hunts any time someone figures that he wants to put in question the honour, dignity and the reputation of a very honourable minister.

If someone wants to pursue this in committee, then I think he must put up or shut up. We are speaking about reputations and that is a serious thing. If we look to the traditions of this House, we find that there is only one precedent to guide us in this situation and that is the Porter case in 1924 which held that if a member makes a charge and the charge is not substantiated, then he resigns his seat and suffers the consequences.

An hon. Member: Nonsense!

Some hon. Members: Hear, hear!

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, it is my intention to make a very brief contribution to this matter.

An hon. Member: Make a charge.

Mr. Cossitt: Hon. members opposite seem to have a habit of mumbling, which is not unusual because they are jumpy over what is happening.

I do not intend to go into quotations from various rules which I think support the stand we have taken. Things have been adequately presented by my colleague who spoke a few moments ago. I simply intend to bring forward a very basic point and that is, if a member of this House finds that budget information has been heard outside this House or, rather, is in the possession of people outside this House before this House has it, that is a breach of my privileges, the privileges of everyone in this House.

The Leader of the Opposition (Mr. Clark) pointed out that it is really irrelevant whether the information has been printed, as the minister said; what is relevant is who had possession of it. That is a very serious matter. It becomes more and more obvious all the time that this information was in the hands of persons other than the Minister of Finance (Mr. MacEachen) and his officials who would be sworn to the usual and expected secrecy. It appears more and more obvious that a very distinct breach of privilege has occurred as the result of what happened.

We have heard two ministers speak today. The minister responsible for housing completely contradicted what he said yesterday. He made one set of statements yesterday and today he said that is not the way it really happened and that it happened in another way. The minister who is chairman of the—

Madam Speaker: Order, order. I just want to remind the hon. member that if he wants to enlighten the Chair on his question of privilege, he would have to deal with the question of privilege and not argue the case. The case can be argued at length once the Chair has found that there is a prima facie case of privilege. At this particular point, however, members have to concentrate on indicating to me where the privilege of a member has been breached. The member was arguing the case, and I know he will want to do that later if I find there is a prima facie case, but not at this point.

Mr. Cossitt: Madam Speaker, it is not my intention to argue the case. It is my intention simply to state that it is obvious that others, outside this House and other than the Minister of Finance and those surrounding him, had private information on the budget to which they were not entitled and therefore it is a breach of privilege for every member of this House. It must be dealt with in that way as a most serious matter.

I would suggest, with all due respect to the Chair, that if the government and members on all sides of this House are willing to put up or shut up, as someone said, they would be glad to refer this to a committee and have it examined there.

As was pointed out by my colleague from Newfoundland, if it is found that there is no breach of privilege, then the ministers will be very happy. If it is found that there is a case of privilege, then the ministers will be dealt with. Let the chips fall where they may. I think we have every right to expect our privileges to be upheld and that this matter will be thoroughly investigated from top to bottom as soon as possible.

● (1520)

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, this is a matter which is extremely serious, and to find an appropriate way to deal with it is very difficult, as I can appreciate. However, there is a series of conflicting statements which cause at least this hon. member to have serious doubts about what we have before us at the moment. I am concerned that, in fact, if one were to look at all the statements which have been made by the minister since yesterday regarding the matter raised initially by the hon. member for Leeds-Grenville (Mr. Cossitt) and subsequently by the hon. member for St. John's East (Mr. McGrath), one could come to the conclusion that there were areas of conflict.

As I understand, the minister has indicated that the information he obtained by virtue of a briefing given to him and to other members of the cabinet by the Minister of Finance (Mr. MacEachen) was not relayed by him to anyone until after the Minister of Finance rose in the House at eight o'clock. However, there is a statement attributed to the minister responsible for housing which would indicate that his officials began to prepare the ad at five o'clock and that they worked from five o'clock through the night preparing the advertisement.

I would ask Your Honour to consider whether it is a breach of privilege for a minister to advise anyone at all, even his staff who are not sworn to an oath of secrecy, concerning information contained in the budget which has not yet been put before the House of Commons and which could conceivably be of value to private citizens were they apprised of that information in advance of the budget being handed down.

It may well be that Your Honour will find that there is no privilege based on the fact that there is nothing in Erskine May, in Beauchesne or in the rules of the House of Commons to indicate that there is a need or a requirement for budget secrecy. However, the tradition and the convention has always

been that no detail of the budget should be revealed by the Minister of Finance or by anyone who had knowledge of it as a result of a briefing to anyone outside of the cabinet in advance of the budget being publicly presented. I suggest that although, in a technical sense, it may be very difficult to find the exact privilege which is being offended, there is no doubt in my mind that if that information was, in fact, given—and certainly the statement of the minister responsible for housing would indicate that it had been given—to people who were not sworn to any oath of secrecy by virtue of their position in the government, then a very serious wrong has occurred. That wrong must be remedied.

I would ask Your Honour to consider whether, in remedying that wrong, it may not be possible to find that there is a privilege which has been historically accepted, namely, the privilege of Members of Parliament to be the first to hear the budgetary proposals of the government before the government makes them available to any other individual in the land.

Madam Speaker: Could the hon. member help the Chair by explaining whether he feels some information has been divulged which would affect the country? I can very well see that if there had been a breach of secrecy of the budget, the country might have been damaged. Perhaps that is one of the reasons we have this convention to which the hon. member has referred. If someone did not follow that convention, I can very well see that the country, the economy, or someone out there might have been damaged by the fact that secrecy had been breached. However, where was the privilege of an hon. member breached in this particular circumstance, if it has occurred at all? In what way has an hon. member been prohibited from functioning as a Member of Parliament in this House? That is exactly the answer I would need. Evidence of this particular situation would help me to find a prima facie case.

Mr. Deans: If I may, I would suggest to the Speaker that perhaps consideration must be given to the rights of an hon. member to have the information made available to him or to her in the House of Commons at least no later than it is available to a private citizen, inasmuch as each individual Member of Parliament has a responsibility to protect the interests of the constituents who have elected that Member of Parliament to sit in the House of Commons. Therefore, each constituent of every hon. member is entitled to believe, and to have held as true, that his Member of Parliament has the information available to give to him at the same time as every other citizen of the land is given that information.

I believe that in fact it is my privilege as a Member of Parliament to be in a position to inform my constituents of matters which can and do affect their day to day lives at the same time as every other hon. member is made aware of that same information; and that if that information is inadvertently or deliberately given to one single individual who can benefit from it to the exclusion of all other individuals whose rights are protected by virtue of electing an hon. member to the House of Commons, that privilege has then been breached.

Hon. Erik Nielsen (Yukon): Madam Speaker, I wish to refer the Chair to some precedents which I think will be of assistance in coming to a judgment on this very serious and very important question. Perhaps not since this Parliament began has there been a need to exercise such great care as that required in coming to a decision on the question which has now been put before the Chair by the hon. member for St. John's East (Mr. McGrath). Because it will arise during the discussion of the precedents I intend to cite, it might be well to refer to the motion that the hon. member for St. John's East read to the House in his closing remarks which reads:

That the advertisement which appeared in the Brockville *Recorder and Times* on the morning of November 13—

The following are important words with respect to specificity:

—over the authorization of the minister responsible for housing—

That is quite specific. It goes on to state:

—contains budgetary information—

That is quite specific.

—which was in the hands of the said Brockville *Recorder and Times* prior to the reading of the budget in the House on November 12, 1981.

That is quite specific.

Mr. Cosgrove: No, no. Wrong!

Mr. Nielsen: It may well be wrong. There has been an interjection from the hon. member in the back bench there. I forget his riding.

Mr. Hnatyshyn: No, it is the minister.

Mr. Blais: It is the minister.

Mr. Nielsen: Was it the minister? Oh, well, it was the minister himself. It may well be wrong, but I will make submissions with respect to the need to be specific. I believe the Chair made a reference to that necessity yesterday. Those specifics are in the motion, and I want to preface my remarks by making that submission to the Chair.

In my submission, I think there might be some confusion developing. Certainly, it seems to be apparent in the mind of the Parliamentary Secretary to the President of the Privy Council (Mr. Smith), and I hope that I might be helpful in clearing up that confusion.

In order to put the matter into proper perspective, may I refer the Chair to *Hansard* of December 6, 1978, at page 1857, where Mr. Speaker Jerome was ruling on a submission by the hon. member for Northumberland-Durham (Mr. Lawrence) that a contempt of Parliament had occurred as a result of an obstruction of his individual right to perform his responsibility as a Member of Parliament, and hence the collective right of all Members of Parliament. That case revolved around the presentation, in response to a question by that hon. member, of misleading information, to say the very least. Mr. Speaker Jerome on that occasion, in discussing what was a prima facie case had this to day:

● (1530)

May I, once again, reiterate the consequences of that decision.

That is whether or not Mr. Speaker was to find, as he did, a prime facie case. Mr. Speaker continued by saying:

The job that I have in matters of privilege is a preliminary, procedural review of the matter to determine whether in fact it touches the privileges of members of the House of Commons or of the House itself. Having done so, I concluded that the motion put forward by the hon. member must therefore be given immediate priority and taken into consideration by the House at once.

Here follow the rather important words, Madam Speaker. The paragraph concludes:

The House itself makes the decision on whether the motion shall carry, whether it shall be amended, or in any way altered and, in fact, whether there is a contempt. I do not make that decision; the House does.

In another precedent which can be found in *Hansard* for March 21, 1978, we find at page 3975 Mr. Speaker Jerome dealing with a question of privilege raised by the then hon. member for Nickel Belt, Mr. Rodriguez, no longer a member of the House. That matter had to do with an allegation by one Warren Hart, which allegation had been made in a sworn affidavit relating to electronic surveillance of members' telephones. The member said that act constituted a breach of privilege if true, and Mr. Speaker Jerome had this to say:

In this connection I wish to refer the House to some excellent language contained in the *Report of the Select Committee on Parliamentary Privilege* dated 1967, in the United Kingdom. I have the reference here and I will table it with my notes today for the benefit of the reporters. The document is dated February 20, 1967, and I call attention to the following passage which appears on page 111:

From this circumstance it might be inferred that the test applied by the Speaker in deciding whether to give precedence over the orders of the day to a complaint of breach of privilege—or rather to the motion which the member who has made the complaint desires to move in reference thereto—is, does the act complained of appear to me at first sight to be a breach of privilege? Rigorously applied, it would mean that no complaint of breach of privilege could ever be entertained unless the Speaker was of the opinion that the act or conduct complained of was a breach of privilege.

I draw attention to the words, "was a breach of privilege", a substantive decision. Mr. Speaker Jerome continued reading from this document dated February 20, 1957 as follows:

The result would be that the House which alone is competent to decide whether a particular act is a breach of privilege—

It is not the responsibility of the Chair. The passage from which Mr. Speaker was quoting concluded as follows:

—would have no opportunity of deciding the question unless the government gave time for its discussion. Borderline cases and arguable ones would be excluded automatically because in such cases the Speaker could not say that he was of opinion that the act or conduct which was the subject of complaint prima facie constituted a breach of privilege.

Mr. Speaker Jerome then said:

I ask hon. members to note the phrase "which alone is competent to decide".

He was referring to the House being competent to decide. Mr. Speaker Jerome continued by saying:

That is the point I wish to stress. To continue quoting:

In my submission the question which the Speaker should ask himself, when he has to decide whether to grant precedence over other public business to a motion which a member who has complained of some act or conduct as constituting a breach of privilege desires to move, should be, not—do I consider that, assuming that the facts are as stated, the act or conduct constitutes a breach of privilege, but could it reasonably be held to be a breach of privilege, or to put it shortly, has the member an arguable point? If the Speaker feels any doubt on the question, he should, in my view, leave it to the House.

That is the position in which I find myself here. In all the circumstances, I hesitate very much to take away on procedural grounds the possibility of reaching a decision on a subject to which the House might wish to address itself.

I might parenthetically say, even those ministers on whom doubts are cast. Mr. Speaker went on to say:

In debating the motion put forward by the hon. member, members of the House might make valuable contributions to the question of whether or not we should treat this kind of electronic interference in some special way. Indeed, if the House decides in its wisdom that the matter should be referred to a committee for consideration, the committee hearing might result in an indication of the proper attitude which should be taken toward the matter.

Therefore, on balance, in the special circumstances which exist here, it is my conclusion that I should resolve my doubt in favour of putting the question to the House at the proper time.

That is what Mr. Speaker did on matters of privilege upon which he had a doubt.

At this point, Madam Speaker, may I submit to you, with great respect, that it is not the function of the Chair to insist upon that degree of evidence which, in criminal trial, would result in a conviction of an accused person. All that is necessary here, in my submission, is that some evidence be submitted upon which the Chair can make a valued judgment as to whether a question of privilege exists, and, if it exists in that very shallow sense of prima facie—and that in effect is what prima facie means—some evidence to warrant and explanation or some evidence in a criminal court that would require a defence, in the absence of which a conviction would be registered. That, I suggest, is the proper meaning to be attached to the words prima facie. All the Chair requires is that some evidence be before it, not a preponderance of evidence. Of course, it has to be privilege, to which I will speak in a moment.

A further precedent is to be found in *Hansard* dated June 7, 1977, at page 6388. Just to digress for a moment for the edification of the Parliamentary Secretary to the President of the Privy Council, and indeed of the President of the Privy Council (Mr. Pinard) himself who spoke about it yesterday, as did the hon. member for St. John's East (Mr. McGrath), I am speaking of this myth, "Make a charge and put your seat on the line, and if you do not justify the charge, you lose your seat." That is utter nonsense. It has no place in our precedents. It has no place in our practices.

Mr. Smith: Tradition.

Mr. Nielsen: That finding has been upheld by Speaker after Speaker in the House, and by a Speaker for whom I am sure all members in this House have the greatest respect. I am referring, of course, to your predecessor, Mr. Speaker Jerome who interrupted one of your deputies, the hon. member for Lachine (Mr. Blaker) who in 1977 was parliamentary secretary to the minister of supply and services. He said in essence exactly what I have just finished saying with respect to this business of putting a member's seat on the line. At page 6388 of *Hansard* Mr. Speaker Jerome said this:

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

That should dispose once and for all, of that particular point, at least in this session of Parliament.

The next precedent—and I do hope these precedents will be helpful to you, Madam Speaker—is to be found at page 742 of *Votes and Proceedings* for July 25, 1975. This is again a ruling by Mr. Speaker Jerome, I believe. I am not quite sure when the change of Speakers took place. This precedent deals with the matter of the specific charge. Indeed, there can be no doubt it seems, on the basis of the precedent, that a specific charge must be laid in order for there to be constituted a question of privilege and, more important, in order that the committee might be focused accurately on the work it has to do if the House should send the question to the committee. To quote very briefly, he said:

● (1540)

I do stress after all that it is in the final analysis a decision of this House which will say whether or not the matter goes to the Standing Committee on Privileges and Elections where the matters that have been discussed and raised by almost all Members who have participated will be possible.

That involved the question raised by the hon. member for Kenora-Rainy River (Mr. Reid). It is interesting to point out that the hon. member for York-Simcoe (Mr. Stevens) and the hon. member for Oshawa (Mr. Broadbent) also put forward motions to send that particular matter to the committee, as did the hon. member for Kenora-Rainy River.

The hon. member for St. John's East has already pointed out the importance of referring the Chair to the amendment to that motion which was moved by the hon. member for Oshawa, and that amendment too was accepted and included in the reference to the House.

Having referred the Chair to that precedent, may I once again refer the Chair to the specific nature of the motion moved by the hon. member for St. John's East. There are three very clear specifics in that motion: That the advertisement over the authorization of the minister responsible for housing—that is specific number one—contained budgetary information—that is specific number two—and that that information was in the hands of the newspaper prior to the reading of the budget in the House on November 12, 1981—and that is specific number three. Nothing, in my submission, could be more clearly specific, and more closely meet the criteria of which Mr. Speaker Jerome spoke in the precedent last cited.

Let me now bring to your attention another precedent taken from *Hansard* of April 17, 1978, at page 4549. Again that was a question of privilege raised by the hon. member for Oshawa-Whitby on alleged leaks of budget details. Again it was Mr. Speaker Jerome who was in the chair. Again that ruling focused on the need for specifics. I will just quote one short sentence from that ruling of Mr. Speaker Jerome where he said, as reported at page 4549:

General motions of that sort without specific accusations, have been rejected by the Chair. Therefore, even if I were to accept the fact that these precedents place this matter within the area of privilege—

He went on from there. In that case, even if he had found privilege, which he would not have, he found that the motion itself lacked the specific nature he and other Speakers before him had set up as necessary criteria to find a privilege. That, however, is not the case here in my submission, having regard to the three specifics mentioned a moment ago.

The last precedent I wish to cite with respect to the records of this House is in *Hansard* of December 12, 1979, at page 2283. I ask you, Madam Speaker, to take particular note of the date, because those who now argue against the submission we make on this side were then here. I want to quote a few remarks of some members who now sit over there; one is now the Minister of Justice (Mr. Chrétien). He has been here for some time and certainly is interested in justice, impartiality, truth and fairness in this place, and I do not say that in any insincere way. He said, as reported at page 2283:

The confidentiality in which the details of a budget are kept is a constitutional practice which forms an integral part of a parliamentary system. Such practice is based on the principle that no individual, whoever he may be, must know in advance the details of a budget which he could use for personal gain.

He went on at page 2284 to tell us he was at one time minister of finance and he appreciated the difficulties that would be encountered in keeping budget secrecy. He spoke of consulting with the provinces but at the same time ensuring that he maintained that constitutional practice of, as he called it, budget secrecy. He said:

—but I always kept in mind the responsibility which I had in terms of budget secrecy.

On the same page, a little further down in the right hand column, referring to the Minister of Finance and his responsibility, he said:

He is forced to conduct those consultations in order to have a budget document prepared. Sometimes he has to consult with the department and so on. He has the responsibility of making sure that there is absolutely no leak.

At page 2285 he said:

I have absolutely no choice but to raise this fundamental problem of parliamentary democracy. When we have a government that is responsible to this House, the Minister of Finance has to take all the necessary steps to ensure that there is absolutely no leak.

That is a responsibility the present Minister of Justice points out that the Minister of Finance owes to the House. Therefore I emphasize the nature of that opinion of the present Minister of Justice in terms of what the privileges of this House and its members are.

The Minister of Justice said also:

—I realize that the hon. minister has no choice but to reveal to the House what happened. In order to help him to clarify the question of whether there was a leak—

Note the words "whether there was a leak"; there is nothing specific about that. The quotation continues:

—and I think there was a leak—in my judgment he will have to take his responsibility in the best British tradition.

Those are not my words, those are the words of the present Minister of Justice who made a very learned contribution to that question of privilege when it was raised in December 1979. This has not happened here, but what disposed of the question raised on that occasion was the then Minister of Finance rising in his place and saying these words, and I quote from page 2285:

> But just let met say on a factual basis that there has been no budget leak. There was certainly no budget leak for which I am responsible. There was no budget leak from the Department of Finance. There was no leak, period.

That is the crux of the matter and that is what Mr. Speaker Jerome then hung his hat on when he decided that question.

The hon. member for Kenora-Rainy River, who is still in the House, made a contribution to that question of privilege as well, and I will just quote one passage from his contribution. He said, as reported at page 2286:

> I think we could have an argument as to whether in point of fact budgetary leaks did take place as alleged by the hon. member for Saint-Maurice, but that would be the job of the standing committee to decide.

That particular member, who has been here and served in a very distinguished capacity for many years in the cabinet and outside, but particularly on the Standing Committee on Privileges and Elections and on the committee on rules and procedures, went on to say:

> ● (1550)
>
> What is important is the fact that the hon. member for Saint-Maurice has brought forward some evidence—

Precisely the phrase that describes what a prima facie case is.

> —to indicate that, indeed, a great deal about the budget was well known before the budget was presented to the House of Commons.

These words may be coming back to haunt members such as the member for Kenora-Rainy River and the now Minister of Justice. But I agree with them. They were accurate and they were correct, that budget secrecy is not only a mere convention, it is a constitutional practice, as was so correctly described by the Minister of Justice when he was here. The nature of a prima facie case was so accurately described, the requirements thereof and the criteria thereof, by the member for Kenora-Rainy River.

I do not intend to quote at length from the next and last precedent I wish to cite for the consideration of the Chair. It is a parliamentary paper prepared for the House of Commons Standing Committee on Privileges and Elections in 1975. It provides background information on government secrecy, financial measures and parliamentary secretaries. It is the financial measures portion of the paper to which I wish to refer the Chair, and it is dated August 8, 1975. In reading that paper, Madam Speaker, you will find it clearly indicates that indeed it is a constitutional practice, that there are sound reasons for budgetary secrecy. It goes a long way toward answering the question which the Chair put to the hon. member for Hamilton Mountain (Mr. Deans). The paper says:

> The reason for such secrecy is obvious: advance knowledge of fiscal measures could result in financial speculation and the loss of revenue to the government treasury. Illicit profits could be made by those persons with prior knowledge who are not bound by moral or other controls. Today, the budget is not delivered until the stock markets have closed across the country.

The committee cites a book by an ex-minister of finance, Mitchell Sharp, now chairman of the Northern Pipeline agency, where he said:

> Up until 1941, the Canadian practice was to present the budget in the afternoon.

He goes on to say why it is not now presented until after the markets have closed. That paper is important in considering what decision the Chair has to come to here.

I submit that in essence, Madam Speaker, the Chair has before it a case of privilege. Why? To cite the Minister of Justice, "the responsibility owed by the government to the House with respect to maintaining secrecy in budget matters . . ." Those are his words, not mine, that the government owes that responsibility to the House, and hence its members. Those last words are mine, parenthetically. The House is the sum total of us all. Therefore, it is a matter of privilege.

My second point is that there is sufficient evidence before the Chair to constitute a prima facie case. In the words of precedents cited to the Chair in rulings laid down by Mr. Speaker Jerome and his predecessors, "All that is required is some evidence." Well, certainly there is that degree of material before the Chair as to constitute "some evidence," thereby constituting a prima facie case. The next step, therefore, having regard to the specific nature of the motion, is only to decide whether it is sufficiently specific. That is a decision the Chair will have to make, in my respectful submission.

I have twice pointed out three specific allegations that are present in that motion, and certainly it cannot be regarded as general. That element is met in the necessary criteria. The next step, may it please the Chair, is for the House to find now that there is a prima facie case and then to put the motion. The government is free to do what it wants with the motion. If it wants to vote it down, that is fine, and it will probably do that and shorten the whole process. But in my respectful submission there is sufficient evidence for the Chair to put that motion to the House because it is only the House which can decide, with great respect to the Chair, whether or not there has been a breach of privilege.

Again, the Chair does not have to go nearly that far. All the Chair has to do is to find that there is some evidence which justifies the presentation of the motion to the House.

I regret having taken so long, but I thought these matters should be thoroughly exposed because of the important nature of the submission of the hon. member for St. John's East.

Some hon. Members: Hear, hear!

Madam Speaker: I thank all hon. members who have tried to enlighten me in deciding on this particular case. It is obvious from the numerous interventions we have had that it is a matter of very great importance to the members sitting in the House.

I wish to remind hon. members that I am quite aware of my duties with regard to deciding a question of privilege. I also know what my limitations are concerning a decision on a question of privilege.

I know that I must ask hon. members, and probe them in the course of their interventions, to help me to find where privilege has been breached, and that I must only declare that I have found, on the face of it, that there is a privilege. The House is only obliged to determine whether privilege has been breached. I want to reassure hon. members that I am very much aware that that is my duty and that there are limitations to that duty.

The hon. member for Yukon (Mr. Nielsen) has given me quite a lengthy series of precedents which would be helpful, I am sure, if I found that we were dealing with privilege. All the precedents he has invoked deal with what happens if the Chair finds a question of privilege to exist. It is very useful that the House be reminded of these precedents once in a while, but I am sure the hon. member will realize that what is important to me is to have this breach of privilege defined so I will know in what way a member of this House has been prohibited from functioning in this House as a member. Has he been free to speak? Has he been molested or threatened or bribed in any way that would prevent him from expressing himself freely in this House on any matter, be it legislation or an occurrence such as we have been discussing today? I do not believe any member has attempted to show me that he has been unable to perform freely and to say what he wanted about this particular case. The decision is somewhat more difficult for the Chair if hon. members do not concentrate on defining exactly what that privilege is and where it has been breached.

In my view, the most important aspect of this problem is that we are not dealing here at all with privilege. I did say that yesterday, and in the course of the day I did reflect upon it and studied the precedents which were invoked and other precedents which had been brought up to me. Certainly the matter of budget secrecy is not dealt with through questions of privilege and there are very important precedents which I will recall to hon. members. There were cases in Great Britain, the ones concerning Mr. Thomas and Mr. Dalton where there was an allegation of breach of secrecy. They were not brought before the House under privilege. Nor were they dealt with under privilege. A committee was set up in one case, and a tribunal was set up in the other. Neither case was brought before the committee which normally deals with matters respecting the privileges of members. In one case there was a special committee which dealt with a particular matter; in another case there was a tribunal. This was necessary because of the special powers which are needed to investigate such cases.

● (1600)

Those two important precedents which I took from the records of the United Kingdom convince me—and, I hope, the House—and give me the authority to say that a breach of budget secrecy cannot be dealt with as a matter of privilege. It might constitute a very important grievance for members. Such action might have a very negative impact on business or on the stock market. It might cause some people to receive revenues which they would not otherwise have been able to obtain. All of these are possible consequences of breaches of budget secrecy, but they have no impact on the privileges of a member. They might do harm—irrevocable in some cases—to persons or institutions, but this has nothing to do with privilege. It has to do with the conduct of a minister in the exercise of his administrative responsibility.

I must repeat that if hon. members feel that the incidents which have been discussed in this House for two days now are reprehensible, that they have to do with the conduct of a minister in the exercise of his administrative responsibility, it is in that respect that a formal charge must be made. That charge must allege that a minister has been derelict in his administrative responsibility, has breached his oath or whatever hon. members might want to allege. That is the way to deal with the matter if members feel that a minister—or a member, for that matter—has been derelict in the exercise of his administrative responsibilities. That is why I indicated yesterday that if hon. members wanted to deal with that, it was not by way of question of privilege but by a formal motion in which a charge would be made.

The hon. member for Yukon says that the kind of charge which is necessary when one wants to cast blame on a minister or a member for his conduct has nothing to do with our precedents. However, I must tell him that there are numerous precedents. In the Pallett case in 1959 Mr. Speaker Michener said quite categorically that a charge would have to be made in the form I have just indicated because it is quite obvious that accusations cannot be spread around or directed at members of this House or ministers without being backed up by proper facts. Otherwise we get into a considerable fishing expedition and allegations not substantiated but which cast doubt on the performance or reputation of a member. That, of course, cannot be allowed because members can sit in this House only if they are considered to be honourable members and the Chair has to protect that reputation of being honourable. The rules exist precisely to assist me in protecting that reputation. If the House consisted of members who were not honourable, then obviously the House could not be honourable.

I must respond to another series of arguments. Members have said that this case is similar to the question of privilege once raised by the hon. member for Kenora-Rainy River (Mr. Reid), but I must indicate that I do not think this case is at all similar, even though it does deal with the matter of budget secrecy. Hon. members will recall that the precedent with regard to the hon. member for Kenora-Rainy River had to do with a motion the hon. member himself proposed. That motion dealt with his privilege, not with the allegation that budget secrecy had been breached. The hon. member felt that his privilege had been affected because he was accused of dishonourable conduct for a member in relation to his responsibility as a member. That is what constituted the question of privilege. He felt that his reputation was at stake and was in question because a newspaper had made an interpretation of

something he allegedly had done. He was alleged to have been privy to budget information and to have conveyed that information to businessmen.

Much was made of the amendment which was brought in by the hon. member for Oshawa (Mr. Broadbent) and of the fact that it and the motion had been voted on by the government as well as by the opposition. I suggest hon. members read that case very thoroughly. If they do, they will see that the amendment was brought to clarify the motion. It was somewhat of a rewriting of the motion and was designed to describe more fully the nature of the accusation which might have been studied by the committee if it had been referred to the committee. That was the purpose of the amendment.

What this particular precedent says to us is not that breaching budgetary secrecy is a question of privilege but that the hon. member for Kenora-Rainy River had a question of privilege because he had been accused by a newspaper of breaching budgetary secrecy and doing something dishonourable in the exercise of his function. That is the important point which has to be considered in this case.

I must repeat that the protection of privilege has to do with the protection of the capacity of hon. members to function as members in this House. If we are dealing with the wrongdoings, conduct or behaviour of a minister or the methods used by a minister of which some hon. members do not approve, that does not constitute a question of privilege, although it might be of great importance to the hon. members concerned. It is difficult for me to deal with such matters as questions of privilege.

I think that is a summing up of the arguments, and I must conclude that I cannot find a prima facie case of privilege. If hon. members want to deal with the matter in another way, there are avenues open to them, and I invite them to follow those avenues, if they feel that they can substantiate whatever allegations they wish to advance.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I rise on a question of clarification. During the course of the debate yesterday and in remarks Your Honour has addressed, particularly in dealing with the laying of a charge, there has been bandied about, not only this time but on numerous occasions in the past, what I think is a pure canard, and that is that he who lays the charge puts his seat in jeopardy. When the charge is laid before a partisan committee, that is total and utter nonsense. That has crept in, perhaps, because of bravado by way of a challenge. There is no substance whatsoever with regard to such a procedure in this House.

• (1610)

Madam Speaker: That has to do with members themselves. I do not find anything contained in the Standing Orders that would allow me to rule that if someone made a formal charge of this nature to the House, and if it is found that the charge is unfounded, then that member would have to resign. Yesterday I did rule that this was a matter of personal ethics. If one feels his credibility has been destroyed by an incident in the House, then he is free to take whatever action he feels justified in taking in the circumstances.

Mr. Nielsen: Madam Speaker, I rise to clarify a point. The Chair probably used the words in the ruling because of the failure to appreciate the refinements of my argument. At no time did I say in my submission to the Chair that there need not be specific allegations; indeed, I did say the contrary. I pointed out three specifics in arguing my case that were inherent, in my submission, in the motion. At no time did I specifically say that the allegations were not necessary. I agree with the Chair on that point. I have to agree with Your Honour anyway because you made the ruling.

What I did say, and what was referred to by the hon. member for Edmonton West (Mr. Lambert) is that there is no requirement for a member to put his seat on the line if he makes specific allegations. Perhaps that was lost in the beauty of my argument.

Madam Speaker: The hon. member's point is well taken.

MR. SPEYER—ALLEGED MISLEADING ANSWER GIVEN BY MINISTER

Mr. Chris Speyer (Cambridge): I have a short but important question of privilege. I am pleased that the Minister of Finance (Mr. MacEachen) is present in the House because my question of privilege relates to a misleading statement made by the minister during question period. I hope it was inadvertent. I shall deal with the matter very briefly.

I asked a supplementary question of the Minister of Finance. The substance of the question was that the federal government over a three-year period would raise $2 billion as a result of the limitation of the capital cost allowance system. As I understood the answer by the Minister of Finance—and I am pleased to see that the minister is present in the House—he said that not one dime will flow to the government.

In the budget that was tabled in this House last Thursday evening, November 12, and the statement which is contained on page 4 of the budget—

Madam Speaker: Order, please. Will the hon. member please resume his seat? If the hon. member has a question of privilege, he must talk about the privilege and not continue to discuss the matter which was raised during the course of question period. I believe the hon. member is about to debate the question. The fact that the answer is not satisfactory to the hon. member does not constitute a question of privilege, I must remind him. If the hon. member has a different matter to raise, I will hear him with regard to that.

Mr. Speyer: My question of privilege relates to the misleading answer that was given by the Minister of Finance on the budget papers.

The Chair must give me the opportunity, I say to you, Madam Speaker respectfully, to point out exactly the accuracy of my assertions, and I would be delighted—

Madam Speaker: Order, please. The hon. member is debating the question. I want to caution the hon. member when he says that he has been misled. That has to be qualified. It is a serious allegation to say in the House that a minister has deliberately misled the hon. member. The hon. member did not say it. The first time the hon. member said "inadvertently" and the second time the hon. member did not say "inadvertently", but I am sure that the hon. member did want to say "inadvertently". I want to caution the hon. member because on two occasions I was about to rise to my feet to caution him. That is what I am now doing.

If the hon. member feels that the answer he received is not satisfactory, then the hon. member may ask the question during question period tomorrow or in subsequent days to try to elicit a more satisfactory answer. However, this does not constitute a question of privilege.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in view of the fact that we do have this apparent misstatement on the record, and because the Minister of Finance is present in the House, I wonder if the minister could be given an opportunity to explain why he feels his answer was accurate or not, in keeping with the documents that were filed on budget day.

Madam Speaker: Order, please. No. The minister may have an opportunity at another time but not now.

MR. WRIGHT—NOTICE OF QUESTION TO BE RAISED

Mr. Bill Wright (Calgary North): I did give notice to the Chair earlier today with regard to my question of privilege. I rise on this question of privilege to question my inability to deal with my constituents relating to the Minister of Supply and Services (Mr. Blais)—

Madam Speaker: Order, please. Will the hon. member resume his seat? I had almost forgotten the notice of the question of privilege that the hon. member provided to me. I must tell the hon. member the notice did not contain the statement that is required by the Standing Orders and, therefore, the hon. member would have to renew that notice and provide the Chair with a statement of the matter he would like to raise as a question of privilege. The hon. member did not do that in his notice. I have to be very straightforward with regard to that point because the Chair must have the opportunity to look into the matter in advance so as to prepare a possible ruling and to cite references that may be necessary for that ruling. It is normal courtesy to provide this information to the Chair and, at any rate, it is required under the Standing Orders.

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

NOTICE OF PRESS RELEASE ON MERGERS AND CORPORATE REORGANIZATIONS

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated to the House leaders, I will advise the House that I will be issuing a press release after the stock markets close on the subject of mergers and corporate reorganizations establishing certain transitional rules, as these have been affected by budgetary action. I am giving notice to the House because it is a budgetary matter. I cannot release the details now, until the stock markets close, but I will do that later.

Hon. Michael Wilson (Etobicoke Centre): I am amazed that the minister would make the same mistake two days in a row. The minister has just made the statement that he will make some announcements with regard to transitional rules on mergers and acquisitions. It is clear to anyone in the marketplace that the company involved is Dome Petroleum Limited with regard to the proposed merger with Hudson's Bay Oil and Gas Company Limited. It is incredible that the minister would make this statement after he made the same mistake yesterday of announcing while the markets were open that the rules would change with regard to MURB, which caused an increase in the share price of those companies involved with MURB. I think the minister would have learned from his previous mistake. It is incredible for the Minister of Finance (Mr. MacEachen), who has been in this House and in this position for a long period of time to make the same mistake twice. I should think the minister would demonstrate better judgment than that.

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PETITIONS

MR. CORBETT—VIA RAIL—RESTORATION OF RAIL SERVICE

Mr. Bob Corbett (Fundy-Royal): I present herewith a petition of over 1,400 names to be added to the 19,000 names that I laid upon the table of Canadians who are requesting that passenger rail service in this country be restored.

These people are asking that the government and, in particular, the Minister of Transport (Mr. Pepin) not isolate mothers from sons and daughters, husbands from wives, the elderly from comfort and warmth, and exhibit an attitude of kindliness and understanding to replace that of a demented slaughterhouse butcher.

MR. WISE—EFFECTS OF HIGH INTEREST RATES

Hon. John Wise (Elgin): Earlier today I had the opportunity to personally present a list of 250 protest letters to the Prime Minister (Mr. Trudeau). I now have the very unpleas-

ant task but the responsibility and duty to table in this House a petition signed by 5,786 citizens of the city of St. Thomas, in the county of Elgin, namely my constituency of Elgin. This petition reflects the resentment and the anger of Elgin constituents. I am certain, in turn, it reflects the attitude of Canadians everywhere regarding business failures, loss of family homes, farm bankruptcies and foreclosures which are a direct result of the government's high interest rate policy.

● (1620)

MR. STEVENS—IMPORT QUOTAS ON SHOES AND LEATHER PRODUCTS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I wish to present a petition on behalf of 205 York region residents. These people are gravely concerned about the threat posed by import competition to the leather and shoe industry which is an important source of jobs in the area. They feel action must be taken right away if this industry is to be saved, and that global import quotas, limiting total shoe and leather imports, will keep their jobs in these communities. They urge the Government of Canada to establish and maintain an effective quota system to protect the industry from unfair import competition.

MR. NIELSEN—TAX EXEMPTIONS FOR NORTHERN RESIDENTS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have the duty to present a petition on behalf of my constituents. The purpose of this petition, signed by 250 Yukon workers, is to indicate to the government that the removal of the moratorium on taxation of northern benefits would be devastating.

The nature of the demand is the continuation of the current moratorium on the taxation of northern benefits to block the tax grab of the government; for the government to adopt a permanent policy to exempt from taxation all special allowances paid to workers in northern and remote areas of Canada, including but not limited to, transportation allowances, housing allowances, meal allowances, northern allowances, special vacation benefits and cash allowances; and for the government to meet with the Canadian National Directors of the United Steelworkers of America for the purpose of hearing the said Canadian National Directors of the United Steelworkers of America on behalf of the over 10,000 Canadian steelworkers who work and live in isolated communities.

The petitioners hope, Madam Speaker, that in your examination of their petition you will find the petition to be in order, sense the urgency and desperation of their plea, and that you might use the discretionary powers vested in your office to allow discussion and referral to committee at the earliest possible moment.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Madam Speaker, the following questions will be answered today: Nos. 1,515, 2,633 and 3,257.

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

[*Text*]

CNR STAFF REDUCTIONS

Question No. 1,515—**Mr. Mazankowski:**

1. Is the Canadian National Railway cutting staff in its car and equipment departments and, if so, how many persons will be cut in each province?

2. Are such persons involved in inspection, repair or maintenance of equipment and, if so (a) how many (b) how will current rail safety levels be maintained, let alone upgraded, with less personnel?

3. Was the Minister of Transport in contact with the CNR with respect to the cuts and, if so, what were the results of the discussions?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

1. In May and June 1980, through a combination of attrition and lay-offs, a reduction of 511 positions occurred in the number of staff associated with the freight car repair activity.

Province	Reduction of positions
Nova Scotia	1
Prince Edward Island	5
New Brunswick	93
Quebec	158
Ontario	90
Manitoba	131
Saskatchewan	33
	511

At that time the railway was experiencing a significant decrease in rail traffic which resulted in a reduced demand for freight cars. Cars needing repairs and not required to handle the traffic offered were placed into the stored surplus category.

2. The affected positions concerned repairs to freight cars. (a) 511 positions in the freight car repair activity, no positions regarding car inspectors. (b) As car inspector positions were not involved, car inspection activities continued to receive high priority.

3. The Minister of Transport was in contact with the railway, was informed of the underlying causes, and was assured that in taking such action Canadian National would continue to ensure a safe and efficient operation.

CANADIAN BROADCASTING CORPORATION

Question No. 2,633—**Mr. Cossitt:**

1. With reference to the reply to question No. 2,217 which stated in part "it has not been customary to require the CBC to provide such details of its internal management and administration" (a) on how many occasions was a similar reason given in answers to questions on the Order Paper concerning the Canadian Broadcasting Corporation (b) what were the exact words of the first question which gave such an answer, including the full answer to the question and the date of the answer?

2. On what date did the corporation come into existence and how long after that date was this "custom" instituted with regard to the answering of questions?

Order Paper Questions

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) and (b) See part 2 below.

2. The corporation came into existence on November 2, 1936. The custom developed from the earliest days of the corporation, and over the 45 years since the corporation's creation, Parliament has not required the CBC to supply, in answering parliamentary questions, certain details of its internal management and administration. The background to this custom is set out in detail in the reply to question No. 2,530, answered November 6, 1975.

EXAMINATION OF PROPOSED REGULATIONS

Question No. 3,257—**Mr. Beatty:**

How many proposed regulations were examined by the Clerk of the Privy Council, as required by section 3 of the Statutory Instruments Act, in (a) 1980 (b) the first six months of 1981 and, for each period, how many proposed regulations were reported by the Clerk of the Privy Council to the regulation-making authority involved on the grounds that they offended against the criterion in (i) section 3(2)(*a*) (ii) section 3(2)(*b*) (iii) section 3(2)(*c*) (iv) section 3(2)(*d*) of the act?

Hon. Yvon Pinard (President of the Privy Council): 1. (a) 1,023, (b) 609.

2. None.

[*Translation*]

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

[*English*]

Mr. Stevens: Madam Speaker, I was wondering whether the parliamentary secretary could inform the House as to why the government has declined to answer question No. 2,042 which was placed on the Order Paper on January 29. It is a simple question:

1. What was the total cost of the Prime Minister's December-January world tour?

2. What percentage of the total cost of the trip will be paid by the Canadian taxpayer?

[*Translation*]

Mr. Yanakis: Madam Speaker, I shall take notice of the hon. member's question and bring it to the attention of the minister.

[*English*]

Mr. Beatty: Madam Speaker, I have two questions on the Order Paper which I should like to bring to your attention and that of the parliamentary secretary. I am quite perplexed as to why the House has not received responses. Question No. 2,644 was placed on the Order Paper on June 18 of this year. It asked whether or not the government was intending to issue a stamp in commemoration of the Royal Wedding. In view of the fact that the Royal Wedding took place some months ago, the government should be able to answer the question by now. Perhaps I should reword it to ask whether or not it will commemorate the birth of the firstborn of the Prince of Wales rather than the marriage.

Also I should like to draw to the attention of the parliamentary secretary question No. 1,439 which was placed on the Order Paper on July 11, 1980, some sixteen months ago. There are three parts to it. It reads:

1. What was the government's total advertising budget for the fiscal year 1979-80 and what is the proposed budget for the fiscal year 1980-81?

Both of those fiscal years have come and gone, so the government should be able to answer. It continues:

2. (a) What amount was spent by the government on French language advertising in Quebec during the referendum campaign period (b) to which creative advertising agencies were contracts awarded to produce such advertising (c) what was the value of the contracts signed by the creative agencies (d) were any of the contracts offered for tender?

The referendum was in May 1980; it came and went well over a year ago. The third part of the question is equally easy to answer if the government chose to do so. It reads:

Were government advertising contracts awarded for the fiscal year 1980-81 to the advertising firms (a) Vickers and Benson Ltd. (b) Ronalds-Reynolds & Co. Ltd. (c) BCP Advertising (1978) Ltd. (d) Jean Prévost Inc. and, if so, in each case (i) was the contract publicly tendered (ii) what was its value?

The reason I raise this is that it is particularly germane today. Those four companies joined together to create Canadian Media Corporation which has been on contract by the government for some $2,430,000. We discovered today that the minister responsible for housing has hired Vickers and Benson, one of those four firms, and given it additional work in placing ads, in addition to what was done by Canadian Media Corporation. This is why the House is entitled to some straight answers, and surely before now.

[*Translation*]

Mr. Yanakis: Madam Speaker, I shall also take notice of the representations of the hon. member and convey to whoever is concerned and a report will be made to the House.

* * *

MOTIONS FOR PAPERS

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for the production of papers stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Tuesday, November 17, consideration of the motion of Mr. MacEachen that this House approve in general the budgetary policy of the government, and the amendment of Mr. Wilson (p. 12752).

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I am very pleased to have an opportunity to

take part in the debate on the budget that was brought down last week by the Minister of Finance of Canada (Mr. MacEachen). It is important to remember, Madam Speaker, that the primary objective of this budget is to check inflation. Now, why should the government try to check inflation when interest rates are very high and the unemployment rate in Canada is quite substantial as well. Well, our objective is to fight inflation because inflation is what is causing high interest rates and the problems we are experiencing in our economy. To achieve this objective, the budget contains a set of measures that are based on the following three principles: restraint, equity and creating a climate or conditions that are favourable to economic and industrial renewal in our society.

What is in fact the first thrust of the budget? What about restraint? If we really want to fight inflation, an economic disease which could be compared to being grossly overweight, we must reduce our expectations and slow down the rate at which we spend our money. We feel that restraint must be applied by the government to its own spending, and it is being very strict in this respect. In this budget, the government is proposing to substantially reduce the growth rate of its expenditures. As a result, there will be a substantial reduction in the government's deficit during the next few years and also in the government's borrowing requirements on the capital market.

What does a reduction in the growth of government spending mean? In 1981-82, government expenditures showed a growth rate of 16.6 per cent. In 1982-83, this will be reduced to 11.7 per cent, which is less than the inflation rate.

In other words, if we look at the rates of inflation and of increase in government spending, we find that instead of increasing our expenditures as a government, in real terms, in real dollars, we are decreasing our expenditures. And what about the decrease in the deficit? The deficit for 1981-82 is $13.4 billion; the projected deficit for 1982-83 is $10.5 billion. So a reduction in the deficit means a decrease in financial requirements, a very substantial decrease in the government's borrowing requirements, from $9.8 billion, in 1981-82 to $6.6 billion, in 1982-83.

An hon. Member: Good management!

Mr. Bussières: Mr. Speaker, earlier a member presented a petition concerning interest rates. By reducing its borrowing requirements by nearly $4 billion, the government will contribute to relieve the pressure on the capital market and thus bring about further substantial decreases in addition to those that occurred during the past months, that is, further substantial decreases in interest rates. There is tangible proof of the government's determination to fight inflation, in its commitment and ability to reduce its expenditures and deficit and to ease the pressure on the money markets by reducing its borrowing requirements.

During the past few days, some hon. members have made proposals, which would mean an increase in government spending. The government is being blamed for not doing enough to help home owners or some industries. It seems to me that members who make these representations should tell us how much money they think these measures would involve, how much assistance in terms of dollars the government would have to give, and where the money would have to come from. Would we get the money by cutting back even more on our spending? If so, let them tell us which programs would be cut back. Perhaps these members would like us to get billions of dollars by cutting off the indexing on family allowances? Would they prefer us to reduce indexing of old age security pensions or of the guaranteed income? This is another indication they should give us when they call for additional measures to assist the Canadian people. They should assess those measures and tell us where the money would come from.

The second thrust of the budget is equity, the great concept of equity. And this concern for equity is not through a substantial reform of some aspects of our taxation system. It is done by withdrawing certain preferences or privileges granted to some taxpayers. It is a progressive measure which especially applies to higher income brackets. Contrary to the Minister of Finance in Quebec who decided yesterday to adopt regressive measures such as taxing beer and gas, the Minister of Finance chose a more progressive position by removing some preferences and privileges in the taxation system. It will be noted, Mr. Speaker, that I did not use the term "tax dodging," since these were quite legal provisions contained in the Income Tax Act, but they were privileges because they allowed some taxpayers in higher income brackets to pay substantially less income tax or still to defer paying the income tax they should have paid immediately.

• (1630)

What will it mean for the average Canadian to remove from the tax system the preferences and loopholes? Well, first of all, we will be able to reduce significantly the marginal tax rates which apply to the taxable income at the end of the year when the time comes to assess the income tax. Therefore, there will be a significant reduction of the marginal tax rates. Also, the abolition of these preferences will allow a more generous federal 9 per cent tax credit. As you may recall, there was a $500 ceiling for the 9 per cent tax credit. From now on, Canadian taxpayers will be able to get a $200 tax credit which may be doubled if the spouse who earns no income does not file an income tax return. Which means that low and average income groups may increase their tax credits from $200 to $400. The third major element which we want to incorporate into our income tax system by eliminating a number of tax preferences is the possibility of escalating the federal income tax tables. Because these three objectives are very important for Canadian taxpayers, Mr. Speaker, I should like to examine what they really mean to them, since we have removed a number of loopholes from our tax system.

For instance, the next time a Quebec taxpayer with three dependants—that is, his wife who has no gainful employment and two children—prepares his income tax return, he will have no tax to pay on his $15,000 income. Another Quebec taxpayer with the same responsibilities and an equal number of dependants, that is, three, and who earns $20,000, taking the escalation into account, will pay $425 less in income tax in 1982, which is extremely important, Mr. Speaker. I could go on and on giving examples that show the combined effect of the income tax table escalation, the marginal tax rate reduction—this rate which applies to taxable incomes—and the increase in income tax credit for low and average-income groups. I think, Mr. Speaker, that it is extremely important, to keep these figures in mind.

With your permission, Mr. Speaker, I should like to call the House's attention to a number of tables which appear in the budget papers. Hon. members will remember that the budget was tabled together with many budget papers; I suggest that one must have a look at these papers in order to understand the general thrust of the budget. For instance, if one considers the effects or the estimated impact of the tax measures on the income tax to be paid to the federal treasury, taking into account the escalation and the tax cuts, one realizes that lower income groups, that is, those earning up to $15,000, will see their income tax cut by 33.1 per cent, and the higher the tax rate, the lesser the tax cut. That is the example I gave earlier of the difference between progressive and regressive tax measures. A progressive tax measure—

Mr. La Salle: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Joliette on a point of order.

Mr. La Salle: Naturally, I find the minister's comments on the benefits for Canadians earning less than $15,000 most interesting. But could he add to that the list of indirect taxes which might come as a surprise for those same people?

The Acting Speaker (Mr. Ethier): Order, please. Perhaps the hon. member could ask for that information during question period. I recognize the hon. Minister of State.

Mr. Bussières: Mr. Speaker, at least I am polite. I regret that the hon. member takes these opportunities—

Mr. La Salle: I was not criticizing!

Mr. Bussières: —perhaps not, but I still regret the fact that the hon. member should take this opportunity to show Canadians that he has not read the budget papers. With his permission—

The Acting Speaker (Mr. Ethier): The hon. member for Joliette on a point of order.

Mr. La Salle: Mr. Speaker, I did not insult the minister. I simply asked him to add to his comments, which I find very interesting, the indirect taxes which taxpayers must bear.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Joliette has already had the opportunity to say what he is now saying. The hon. Minister of State for Finance.

Mr. Bussières: Although I do not have extended years of schooling, I do remember taking a course on how to learn. I recall our teacher saying that the lack of patience was the thing that hindered the learning process the most. So had the hon. member showed a little more patience he would have seen that I was just about to refer to the other benefits provided for in the budget. I will indicate to him that the table I am quoting from is on page 34 of the document "The Budget in More Detail", which I advise him to read—

An hon. Member: Assuming one knows how to read!

Mr. Bussières: Of course, one must know how to and also have the patience to read. He will notice in the table the rates and benefits which were removed for some so that taxes are in fact increased for the higher income Canadians, and that is combined with indexation of tax tables and a reduction in marginal tax rates. That is why I say that these are progressive measures in that they benefit the low or moderate-income Canadians. Obviously, those who earn $75,000, $100,000 or more will have to pay higher taxes. Those who earn between $20,000 and $30,000 will benefit—

• (1640)

[*English*]

Mr. Stevens: I rise on a point of order, Mr. Speaker. I too have been following the minister's speech with great interest. He referred to the table and I wonder whether he could clarify one thing. The table to which he referred states that indirect taxation of revenue will contribute 51 per cent more to the federal coffers. Could he explain why this is so?

The Acting Speaker (Mr. Ethier): Order, please. Hon. members may seek information during question period.

[*Translation*]

Mr. Bussières: Mr. Speaker, the hon. member for York-Peel (Mr. Stevens) had an opportunity to speak about the budget yesterday. On this side of the House, members listened very carefully. Unfortunately, we were all disappointed because he said virtually nothing. I would appreciate it if he would allow me to concentrate so that I can inform Canadians of these important budget proposals.

We have seen that these proposals reduce significantly the tax burden of low and middle-income Canadians. I believe that it is extremely important to emphasize this, Mr. Speaker. Today in the House some members mentioned that the president of the Canadian Federation of Small Business had

expressed his disappointment at the budget proposals. During the pre-budget meetings chaired by the Minister of Finance, which I attended, we had an opportunity to meet with the Canadian Federation of Independent Business, and I have here the brief submitted by the Federation on September 14, 1981. The first suggestion to the government, as we can read on page 9 of the document, is, and I quote:

The expenditures of the federal government must be reduced.

Mr. Speaker, the first point I discussed was the government's formal commitment to reduce the rate of increase of its expenditures, deficit and borrowing needs. As we read on, we can see on page 13:

There is increasing concern about the problem of wage demands.

Under the theme "restriction", the Minister of Finance specifically invited all economic agencies to support his action to achieve restriction of spending and fight inflation. On page 14, under the heading "The cost of negligence", the matter of unemployment insurance premiums is dealt with. The budget proposes significant reductions of unemployment insurance premiums for both employee and employer.

The Federation of Independent Business suggested further measures, and yesterday my colleague responsible for small businesses gave a conference in Montreal where he went over the budgetary proposals which specifically concern small and medium businesses. I am convinced that all hon. members will agree that the assistance provided to small and medium businesses will prove a major boost toward job creation and economic recovery. I would like to mention very briefly the extension of the Small Business Development Bond program, which will help small businesses who are experiencing difficulty in coping with the present situation, to come through these hard times.

The second, the increase in—

[*English*]

Mr. Mazankowski: I have a point of order, Mr. Speaker. I wonder if the minister could elaborate on the benefits to this House—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The minister has the floor.

Mr. Bussières: Mr. Speaker, I was referring to that second measure to help small business, namely, the increased limit for the low tax rate for small business corporations. There is also in the budget a third important measure—

An hon. Member: You are misleading the people—

Mr. Bussières: Mr. Speaker, I hope the honourable member will have an opportunity and especially the courage to rise later on in this budget debate to express his views. In the meantime he will recognize this is a free and democratic country and I should be allowed to express my views. Therefore, the third measure, as I said earlier, is the reduction for employees and employers in unemployment insurance premium rates which are of major importance to small business. And I indicated that the Federation of Independent Business had insisted on this in their representations. Finally, the exemption of small business from the corporate surtax is also extremely important for small and medium businesses.

Mr. Speaker, I would like to say a few words about industrial renewal and the government proposals to that effect. Hon. members are aware that over the coming years, during the decade of the 1980s, important projects will be undertaken in Canada. Billons of dollars will be invested, particularly in resources. The government wants to create a favourable climate for economic development and a budget document titled "Economic Development" explains the government's development strategy. During the eighties, economic development will be dominated by two realities: the continued development of the resource-based industries and the revitalization of industrial capacity toward specialized international competitiveness.

These two forces will create a new regional dynamics and new growth opportunities within the different areas of the country.

It will be seen in the budget document on economic development that the government wants to ensure that every area—the strategy will allow all departments, as the DREE for instance—to benefit from investments in major resources.

My time is running short but I would be remiss if I were to conclude my remarks without referring to another aspect of the budget, namely the proposal of the Government of Canada with respect to fiscal arrangements between the central government and the provinces. We all know that it is an extremely important subject for the Canadian federation and I would like to mention briefly two of the main aspects of those arrangements. First, the equalization program and, second, what is known as the established programs financing. Under the equalization program, annual and unconditional payments are made to those provinces whose tax revenues are lower than the average and whose ability to finance their public services is lower than the average of the other provinces in Canada. In 1981-82, six provincial governments will receive equalization payments totalling nearly $4 billion. Quebec's share will be $2.1 billion, or slightly more than half the total amount paid this year to the six provinces which are entitled to equalization. The per capita amounts of those equalization payments vary according to the tax revenues of the provinces.

• (1650)

Those per capita amounts range from $765 for Prince Edward Island down to $291 for example in Quebec. Those equalization payments are based on two factors. First, the taxing power of the various provinces, that is, the revenues each province would generate by applying the same tax rates on goods, transactions and income. Second, the equalization standard, that is the taxing power level a province reaches,

after being eked out by the equalization payments. The proposals introduced by the Minister of Finance are aimed in the first place at extending provincial taxing power so that it will more adequately reflect their general potential combining wages, natural resources, real estate and other taxable items.

The second aspect deals with the equalization standard. The material dealing with tax arrangements suggests that the standard be set on the basis of tax yields in Ontario rather than on the basis of the average tax yields in all provinces as is the case at present. We know for instance that if we were to extend the taxation capacity without changing the equalization standard, transfer payments would increase to about $10.2 billion in 1982-83, of which $2.6 million would go to Ontario. Obviously, since we must restrain expenditures, the federal government cannot afford to implement such a program and especially to spend that kind of money. This is why we propose to substitute a new Ontario based standard.

Another aspect of fiscal arrangements is the financing of established programs. What is meant by established programs? These are in the areas of health care, hospitalization and financial assistance for post-secondary education. The budget does not propose any financial change in this specific regard. The purpose of such proposals to amend this program is to set a maximum amount per capita to bring about more equity in the financing of the established programs. It has been indicated that the government wanted to reduce its expenditures in the area of transfer payments to the provinces. This cutback will apply to a program which dates back to the tax reform of the seventies.

Following that reform of the Canadian taxation system, and as a result of the changes which were made in the tax system of the seventies and which reduced the amounts of money going to the provinces, what is known as the income guarantee was adopted. This was expressed either in tax points credited to the provinces, or cash payments to the provinces. We are now suggesting to the provinces that the income guarantee be removed from the over-all transfer payments made to them. That proposal follows the changes we have now made in the tax system, changes which I indicated a while ago in dealing with equity, which are known, by the way, either as tax preferences or tax privileges. The removal of these privileges, as we know, Mr. Speaker, will have a direct impact on the income of the residents of the provinces for whom the central government collects taxes, so that those provinces will see their revenue increase automatically as a result of the increases or changes in the new tax tables. Because we are increasing provincial revenues through changes in the taxation system, we are proposing to the provinces the removal of the income guarantee which had resulted from the changes made in the tax system, of the seventies.

Naturally, there is one special case and that is Quebec. This case is special in that, many years ago, its government chose to collect its own taxes and have its own tax system. We are now suggesting to Quebec that a change be made in its tax schedules by doing away with the tax privileges we have removed. Hon. members will remember that, last week, the minister of finance for the province of Quebec published a study in which he said that the federal tax system provided for fiscal preferences and privileges which he condemned. The privileges which the Quebec minister of finance denounced we have now changed, so if he, who is sovereign in the field of tax collection—which is not the case for the ministers of finance of the other provinces since the federal government does the job for them—exercises his sovereignty in that field, the Quebec minister of finance can then increase his own revenue to more than make up for the amount of the guaranteed income provided for by the federal system.

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

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I have been looking forward to addressing you and my colleagues. Just three months ago yesterday, the Spadina voters sent me to this House rather than sending the man the Prime Minister (Mr. Trudeau) had chosen. The voters in Spadina indicated they had no confidence in his government, nor do they believe this government is willing to let the people of Spadina or the people in Canada earn an honest day's pay for an honest day's work, which is what people like to do.

Just this weekend people on the street in Spadina told me what they thought of this budget. They told me the budget was superficial, that it was mere tokenism and they believe the rich will go on finding loopholes no matter what. They mainly said there simply was no change and they wanted a change. In fact, they clearly sensed that this budget continues the policy of selling Canada; that is to say, selling the country they have built and putting it into the hands of people who do not care about the people who built it.

• (1700)

These are ordinary people. We have a great variety of ordinary people, working men and working women in Spadina. These are people who are trying to put a roof over the heads of their families, put a table under it and put food on that table. Having learned about it, they are finding this budget very discouraging.

In the land around Spadina we first of all had immigrants from the British Isles who were granted estates so they could control the lower orders as tenants. That did not work out so they turned into land developers during the housing booms in Toronto. They left us a few stately mansions on Beverley Street, Madison Street and places like that. They left us some very good narrow streets in the residential areas which keep the commercial traffic out. Then they went on to greener pastures, moved away elsewhere, but they still like to collect their revenues through the banks and other institutions which have the ear of the Minister of Finance (Mr. MacEachen), as shown by his budget.

Early in this century the eastern Europeans came to Canada, especially to Spadina. They created the famous Spadina needle trades district. There are many hundreds of small enterprises there that are still making and selling clothing and footwear, but they are threatened by this government. They are threatened not only by this government's hostile attitude to small business, but by the threat of the closing down of the present import quotas which so far have done something to protect them from the unfair competition of the southern United States and other very low wage, anti-union areas.

For example, today I had a telephone call from Mr. Marlen of Topaz Shoes who is already laying off employees because this government does not give him the assurance it will maintain the quota system which has so far protected his industry. He has built it up from 30 employees to 150 employees in three years. Now he is having to lay workers off because of this government's callous attitude toward the small-business men of Spadina and the rest of Canada.

We also have railway workers living in Spadina, some of them working in the Spadina yards. Some of them will not be working; they are facing lay-offs because of the cuts by this government in VIA Rail.

We have a great number of printing, office specialty and other small manufacturing outfits in Spadina, all feeling the threat of this budget, particularly whenever these small-business men have to consider their credit situation or bank loans.

After World War II many of those people moved north and we had more eastern Europeans, Québécois, Newfoundlanders, Cape Bretoners and West Indians moving into Toronto. Italians and Portuguese came in particularly for the 30-year building and manufacturing boom, that boom which ended in 1975 with this government's wage freeze.

When I went to Toronto in 1954 to work in a factory I found Ukrainians, Italians, Newfoundlanders, Ontarians, Québécois, and also I found those people working and living together in Spadina in peace, trying to raise their children, trying to fix their old houses and enjoying the music and the food of their ancestors and their neighbours.

Some of you may know of the Kensington market. That was a creation of the Spadina residential district just west of Spadina Avenue. It serves Jews, Portuguese, Philippinos, Chinese and many other nationalities. We also have the shopping districts along Queen Street, Yonge Street, Bloor Street and College Street, each with its own particular flavour.

Then came the Chinese. After City Hall had wiped out most of downtown Chinatown, the Chinese born in Canada and those emigrating to Canada built a new Chinatown around Dundas and Spadina. You can go up Dundas and along Spadina and find dozens and dozens of new Chinese restaurants. By the time you have eaten in each one of them there are several new ones built. They also have new stores, new offices, new theatres, new social centres and many new small businesses, most of which are also under the gun of the high interest policies of this government, continued by the present budget.

We have the University of Toronto, the biggest university in the Commonwealth. It is an excellent place of learning and research. It has thousands of professors and students and support staff, being one of the biggest employers in the city. Some of them live close by but many of them commute. Two of my daughters started there until they found they could get a better education for their purposes at Laval and at the Université du Québec in Montreal, but they still have warm memories of University College.

These people, from the president right down to the support staff and every student, are dismayed at the cuts being placed on them by the federal government as well as by the Tory provincial government. In spite of the sweet words of the minister, those cuts are continuing. He can juggle around guaranteed revenues and EPF, but the fact is that he is going to give less money and the province will give less. They have students now sitting in the aisles and trying to get into the lectures. I am told there is one lab that is now in the men's washroom. I am not sure whether it alternates day about between the men's and the women's washroom or how they observe equality in the matter. There was last summer, of course, the occasion of a wrestling match in Convocation Hall, about which Toronto people are aware.

Seriously, I have a letter from a graduate of the university who has been unable because of unemployment to repay his loan. He is being chased by a collection agency on behalf of this government. The interest now amounts to 23 per cent of the loan. This is how we discourage students and graduates of our universities. This is reversing what was undertaken in the 1940s and early 1950s when the government had a good program of assisting people to get to university under DVA.

We have many other people in Spadina. We have service workers of all kinds. We have women, many of them Portuguese immigrants—20,000 perhaps in Spadina and nearby—who clean the hospitals and office buildings downtown. We have the professionals who found that downtown Toronto is a livelier place to live than the frozen suburbs. What we have in Spadina is all manner of people earning their living in different ways, and all being threatened by this budget.

Before I outline the problems of the budget I have to acknowledge one other part of Spadina, a part which is not threatened by the budget. We also have in Spadina the banks, the insurance offices, the great financial houses, the head offices of the oil, mineral and paper companies with the commercial dukes and the barons who order this government around and control this country. The Spadina people know those buildings. They helped to build many of them. They are now cleaning them at nights. They work there as secretaries, as messengers and as bank tellers, many of them at minimum wages since most of them so far have been unable to organize unions. Many of them belong to families of which both parents must work. So the rosy picture of tax deductions for people who earn $15,000 does not apply to them. They must have two incomes in order to keep a roof over their head. They are

getting no help from this budget for day care, no help of any kind for social services, and no help on family benefits if they fall into unemployment and get cut off by the harsh unemployment rules which are being developed.

• (1710)

Now they must renew the mortgages on their homes. According to the Minister of Finance, some 300,000 Canadians will be renewing their mortgages next year because they did not have a five-year mortgage. In other words, many of these people, certainly many in Spadina, listened to the banks who told them last year to take a mortgage for one year at 12 or 13 per cent because next year the interest rates would go down. Now they have to take another mortgage at twice the rate. The budget offers help to maybe 7,000, according to the minister's figures, out of those 300,000; they will get some relief, up to a maximum of $3,000. For most of these 300,000 people, there is nothing. If they are to pay the mortgage themselves, they must have about an additional $300 a month; and if they go on strike or take legitimate economic action to raise their pay, we will certainly hear from the other side of this House, and maybe from the extreme right of this House, a call for more wage freezes and union busting.

I would like to talk about the banks. The Minister of Finance and the minister responsible for housing have been telling us for several months that these bankers are reasonable. The Minister of Finance tells us that he talks with them every day and that they are compassionate. We read headlines which say how compassionate they are. In fact, the minister has said that he wants them to bleed a little bit.

Then we have the minister's little boy plea in his budget that he wants financial institutions, especially banks, to ensure that ample funds will be available to smaller borrowers at the lowest possible margin of cost. My father told me about bankers. He practised law in Selkirk, and Winnipeg for over half a century. Although he was a Liberal, he was a very fine and decent man.

Some hon. Members: Hear, hear!

Mr. Heap: These things happen! His clients were mostly low-income and middle-income people and many times he helped a client from his own pocket. He told me about this banker. This banker had had an automobile accident and lost one eye. He bought himself the very best glass eye that money could buy. He believed that nobody could tell the difference. One day a farmer came into the bank and asked for a loan. He did not have much collateral and the banker washed him out. As the farmer turned to leave the banker said, "Wait a minute, I will give you a sporting chance. If you can tell me which of my two eyes is the glass one, I will give you the loan." The farmer looked at him and said "The left eye is the glass eye." The banker said "You have it." and he wrote him out the loan. Then he asked the farmer: "Were you just guessing or did you really know which was the glass eye?" and the farmer replied "I knew. I looked at that left eye and I knew that it had to be the glass eye because I just saw a glimmer of pity in it!"

Some hon. Members: Hear, hear!

Mr. Heap: These are the bankers into whose hands the Minister of Finance is once again putting the people of Spadina and Canada.

Returning to the budget, I listened carefully to the Minister of Finance and read over his text and some of his budget papers, and it really made me wonder at the things I heard and saw. There is really no tax relief for anybody earning under $25,000. There are a couple of gimmicks but they are cancelled out. Most of the people in Spadina earn well under that $25,000 limit. There is, however, a tax on health plans and on savings plans. Some people in Spadina thought that they should be thrifty and invest in those plans. The minister has told them that that is a mistake.

There is now to be a tax on the money that hard working immigrants in Spadina send to their relatives overseas, with the exception of a spouse and children. For a century this country has invited and even paid the passage of people to come here to do the hard, dirty and low-paying jobs in this country. The only reason many of these people came was that it was the only way they could help their families back home. The government is now telling them that they are trapped here and they can only help their mother or sister or brother if they are here. If they are back home there is no help, as far as the Minister of Finance and his tax laws are concerned.

There is no relief for single parents under the provisions of this budget. We have heard a long, complicated story from members opposite about how someone with a wife and children who is earning $15,000 will pay no tax. It does not help the single parent and there are many in Spadina. There are many cleaning women who work in the hospitals and other buildings who are the sole support of their children. Some 84 per cent of single parents are women and many of them are in Spadina. They receive low pay, about $11,000 on the average, whereas the men earn $18,000. There is no relief for them, no help with further day care and there is no help with further family benefits when they cannot hold a job any longer.

There is no serious relief for home owners. In fact, the interest rates have been kept up and the paltry subsidy arrangement which the Minister of Finance has put forward really only subsidizes the banks, shuts the mouths of their loudest critics and helps the banks keep their interest rates high. The Minister of Finance is subsidizing the banks who now have 48 per cent more profits than they had last year.

There is little help to small business. The federal business development loans have very complicated rules and businessmen in my riding tell me that very few of them are able to qualify.

There are cuts in social services which again are denied by the minister but recognized by everyone else who has examined the budget. The seven-year-old promise by the Prime Minister to provide money for urban transit still goes absolute-

ly unredeemed and Toronto has now had to put its transit fares up by 10.6 per cent with no help coming from the Prime Minister as he promised.

There is no serious job-creation program. There are perhaps 2,400 jobs coming in rural parts of the maritimes and in Ontario where the government wishes to take advantage of low wages and non-union conditions. According to the minister's predictions, unemployment will rise during the next two years and real wages will fall. Yet he is preaching restraint to the poor.

He opened his budget speech with a little sermonette which tells working people not to ask for more money. In effect, what he has said is that anybody who asks for more pay is doing his or her fellow worker out of a job. That is a very cynical and misleading sermon from one who is protecting his buddies, the bankers.

Real wages have been falling behind prices since 1978 and they are projected to fall even further; but the big five in the banks have increased their profits by 228 per cent in ten years and they are up 48 per cent this year. The cost of living goes up and up, the cost of food goes up, but the minister does nothing about it. Canada is exporting more raw food every year and importing more processed food every year. Many people in Spadina like to eat and the food bill goes steadily up.

Farms are disappearing in this country. The farming population 30 years ago was 16.8 per cent of the total population and, as of 1976, it had dropped by two-thirds to 5.1 per cent. Canada is at the point of becoming a country which does not produce enough for its own people to eat. I never thought I would live to see the day when Canada could not feed its own people.

● (1720)

The prices of heating oil and gas are predicted to go up by about $500 to $600 for the average family. That doubly wipes out the tax credit for low-income people about which the minister has talked.

However, what I am most concerned about is what will happen to the hundreds and thousands of people in Spadina who have been earning their living as factory workers and who face being laid off. I am thinking of Tony and Silvio from Italy with whom I worked in a box factory. I am thinking of Joe from Poland. I am thinking of Dave from Newfoundland. I am thinking of a great many others. There were also women in our factory. There was Anna Lisa from Germany. These people were all laid off at the beginning of the year. The box plant which had operated for over half a century was bought by MacMillan Bloedel, which was then bought by Noranda, which was then bought by Brascan. All that high level financial dealing was assisted by the tax write-offs this government created in previous budgets and which this budget continues. The effect of this wheeling and dealing in high finance has been to cause unemployment among the men and women with whom I worked for 18 years. These are middle-aged people with seniority they earned in their plant, and now some of them are out on the street. Some of them have temporary jobs. Some of them are starting in new places. They are middle aged and have no seniority. They have no protection against further lay-offs. This has been promoted by the previous budgets of this government and is continued by the present budget.

The Minister of Finance has no serious program for relocating phased-out workers. There is no serious retraining program. George Brown College has had to cut back its technical courses because the funding from this government has been progressively cut back for several years and is to be cut back further by this budget. There is no decent program of severance pay for workers laid off after years of service.

However, on the other side of the budget there are goodies for the rich. There is no excess profits tax levied against banks. The rate of taxation for people earning $100,000 and over has been reduced from 65 per cent to 50 per cent. That is quite a bonanza. We are told that loopholes are being closed, but income exclusion, which accounts for half the tax evasions, has not been touched. Capital gains have scarcely been touched. Capital gains cost this country half a billion dollars last year. Income exclusions cost the country over $6 billion last year. Almost $7 billion in exclusions which go almost entirely to people earning more than $100,000 a year have not been touched by the minister in spite of his trumpeting about an equity budget and tax reform.

Why do we have this pattern of injustice? I do not agree with those who suggest that the minister was careless, ill-informed, stupid or thoughtless. I think he is a very thoughtful man. I think he has a plan, so I looked at his booklet entitled "Economic Development for Canada in the 1980s". There I think I found the explanation for the hard fist he is swinging at workers. The fact is that Canada in the eighties and nineties is a place where this minister apparently does not think we will need workers. He does not think we will need men and women with some maturity, some training, some adaptability or responsibility. He does not think we will need men and women who are willing to work, to acquire skills, to organize in their unions for steady working conditions or to raise their families and build their communities. The minister does not think we need those people. Instead, he wants specialized migrants who will roam around the country and work on the projects his friends, the bankers, have decided they like.

For example, I refer to projects in the north, most of which are for construction, transportation and resource extraction. In the next five years $60 billion—about $1,200 per year from every Canadian man or woman who is working—will be given by this government to finance resource production and bulk shipments. This applies to 42 projects. There will be oil and gas pipelines to bring oil and gas, the minister says, to eastern Canada, but just as likely they will be going to the eastern United States. This transportation will mainly be for shipping Canada out. There will be bulk shipments for the export markets.

Coal shipments will be up 125 per cent, mostly to Japan. Fertilizer shipments will be up 78 per cent. But grain shipments will be up only 38 per cent, and shipments of all other things, including manufactured goods, will be up only 48 per

cent. In other words, we are going to kill VIA Rail passenger service for the sake of digging Canada up and shipping it out so that other people can use it.

The arms budget is going up 17 per cent or 18 per cent this year. At that rate that will mean nearly $40 billion in five years, or about $1,600 for every man, woman and child in Canada—for death.

The food industry is being geared to exports, while our prices rise and the farmers quit. Manufacturing is to be slighted. The minister is rejecting protectionism, and that is his phrase. He is carrying on a dialogue with the major Canadian corporations in which he does not mention the unions. He has handed over the textile industry to a set of financiers who have no interest whatsoever in protecting the jobs of textile and shoe workers. The minister has killed the Foreign Investment Review Agency or, at least, chloroformed it. He has said that foreign capital and technology will continue in Canada. In whose interest? What he says in his budget is that the Government of Canada is fully committed to promoting the mobility of resources—money and workers—and that is the clue. The minister wants to remove all protection from those who are not among the strongest. He wants to be able to hand over our natural resources and our labour to the strong so that they can dig Canada up and ship it away.

A few years ago the late John Diefenbaker said that Canada was becoming a banana republic. He was partly right. The trouble is that we are becoming a banana republic, but we will not even have the money to buy the bananas.

We are left asking whom the minister serves. Is it the New York money lenders who dictated these political terms, as they dictated the wage freeze of 1975? In one of his booklets the minister hints that if wage demands go too high we may have to do something about it. It is a very gentle hint, but we will hear more about that in the months to come.

This budget is something the late General McNaughton warned us against 30 years ago when he said we would become hewers of wood and drawers of water. In fact, this budget goes hand in hand with the constitutional package the Prime Minister brought to us two weeks ago, which is an attack on the fundamental rights of Canadians and most blatantly those of women, the French community in Canada and the native peoples. This is a budget for using cheap labour and for using those three groups to undercut the labour of those who are not in those groups. In other words, this budget is a male budget; it is a white budget; it is an anglo budget. It is an affront to the people of Canada, and it should be rejected by this House.

• (1730)

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I want to begin by saying that in my thirteen years as a member of the House of Commons I have never witnessed a situation where a budget has been so universally condemned. I think it is fair to say that this budget takes from the poor to help those in financial distress. I would have hoped that the Minister of State for Finance (Mr. Bussières) would have attempted to clarify some of the points contained in the budget. For example, I hoped the minister would set out to explain what is meant in the budget by "firms in financial difficulty" and "farmers in financial distress." In the government's defence of the continuation of the Small Business Development Bond, those riders are crucial. As of today, I understand that banks are sending out notices to the effect that the Small Business Development Bond, as of November 12, will not be issued until there is further clarification.

In this budget the government has treated inflation as public enemy number one, yet at the same time it sets out to blame everyone but itself and asks everyone to share in the burden of restoring sanity with regard to inflation. It does not address itself as a major contributor, nor does it address itself as one that can aid in assisting the decline of inflation in this country. The budget was expected to set a new course for economic recovery, economic strategy, if you like, to renew confidence in the business community, to stimulate production and thereby generate wealth. If one examines the document "Economic Development for Canada in the 1980s", one would observe that it consists of a recitation of rhetoric and bureaucratic jargon.

Canadians expected this budget to address the very critical issues that face the average Canadian from coast to coast, namely, the problems for home owners of mortgages and high rents, the problems affecting small-business men, which is one of the most important components of Canada's economy, the farmers, the low-income sector, senior citizens, the unemployed, particularly those unemployed as a result of an inadequate housing policy and an inadequate industrial strategy, the construction industry and the manufacturing and oil sectors of our country. In other words, there was nothing in the budget for the average Canadian. It did not really address any of the major problems that face Canadians.

In the name of restraint, this government increases its spending by 22 per cent. In the name of equity and fairness, it squeezes another $1.4 billion out of Canadian wallets; and in the name of economic renewal, it does not do anything. It is not even a clever budget. It is a deceitful budget. Upon close examination of the budget, one will clearly see that it will impose and inflict further hardships upon the average Canadian. It really is a cop-out. In my view, it is a budget which will be destructive, as we examine it in more detail.

Now we have the Minister of Finance (Mr. MacEachen) repairing and tinkering. As far as I am concerned, no amount of repairing and tinkering will make this budget an acceptable document. What I recommend to the Minister of Finance is that he withdraw this budget and send it back to the drawing boards—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —so that he may reassess the precarious state of the country, and then introduce a realistic budget that will address the economic needs of the average Canadian. When one studies this budget and examines the situation that faces the Canadian people from coast to coast, one can only conclude that this government is hopelessly out of touch.

In this country we have a 20-year low in consumer confidence. We are in the midst of a recession, if not a depression. There are approximately one million unemployed; we have crippling interest rates; an inflation rate of 12.7 per cent that will probably rise to 13 per cent within a month or sixty days; staggering gasoline prices that have risen by 75 cents a gallon since the Liberal government assumed office; record heating oil prices, an increase of some 50 cents a gallon since the government assumed office. Federal taxes now imposed by this government exceed two times the 18-cent excise tax that was imposed by the Crosbie budget, and at the same time there is no relief for the home owner, for the low-income earner, for the senior citizen, for the farmer or the small-business man. As far as I am concerned, Mr. Speaker, as one who has been associated with the small business and small manufacturing sector in this country, I can tell you that there is no mood of optimism in this country today, no optimism for the productive core of this nation and there is no hope for the unemployed.

The productive capacity of our economy has never been in such peril. Never has the government done so little to stimulate growth in the productive sector. It could be said that this budget constitutes a cynical attack upon the productive core of our economy. Because the government is faced with rampant and largely made-in-Canada inflation, trying desperately to cope with the effects of a largely made-in-Canada high interest rate policy and observing real incomes continue to decline, Canadian workers, farmers and fishermen look to this government for leadership. What do they have? They have a budget that offers no relief but instead will squeeze another 22 per cent increase in direct personal taxes out of their households in the coming year.

What did Canadians expect in regard to the stimulation of growth and development? All we have received in this document entitled "Economic Development for Canada in the 1980s" is a litany of government agencies and an additional squeeze of 30 per cent in direct taxes in the coming year.

What about government leadership in the area of restraint? Did the government hold the line or curtail its own spending? No; it has increased its expenditures for the coming year by over 22 per cent. This offers Canadian families and businessmen an extra dose of inflation for the coming year.

What about indirect taxes? For the average worker, hidden taxes have doubled from the day the Minister of Finance assumed his office. When the minister assumed office there were hidden taxes of roughly $100 per worker, per month; that has now doubled to $200 per worker, per month. That is the kind of attack that we have on the workers of this country.

This morning I was advised that in addition to the vicious attack on the employees of VIA Rail, some 1,600 who will lose their jobs, we now find as a result of the budget that the termination benefits cannot be rolled over into RRSPs. Therefore, the retirement benefits will be taxed more heavily than would have been the case. To add insult to injury, these workers who have lost their jobs will now face regressive measures in this budget.

Farmers and small businessmen also will have their retirement plans disrupted as a result of the discontinuance of the income-averaging annuity.

The heartless and cynical government that has introduced this budget, one that is based on a commitment of restraint and yet only restrains the economic well-being of Canadians, will, in essense, take more revenue and spend at record levels itself. It presents a budget that is supposedly based on equity which, in fact, serves only to redistribute the burden and consequences of government mismanagement among the Canadian public and completely off its own shoulders. It presents a budget with an overriding theme of economic renewal which, in effect, is an attack upon our productive core and will only serve to make our productive sector less productive and more dependent upon government.

When one studies this document, one will find, as I said earlier, that it ignores the fundamental responsibility of encouraging growth and development in this country. In order to have national wealth and prosperity, we must have production and growth both on a national basis and on a per capita basis. What we have here is the fundamental difference between real gross national product and perceived gross national product through the growth of government bureaucracies. That is what we see in this document.

The fact of the matter is that the budget will stymie the productive sector because of the advent of further bureaucratic devices which are enunciated in this particular document. It will stymie and inhibit production rather than encourage it. The gross national product that will occur as a result of the initiatives undertaken in this particular document will largely be an illusion.

● (1740)

The document entitled "Economic Development for Canada in 1980s" was predicated upon a recently published task force report entitled "A Report by the Major Projects Task Force on Major Capital Projects in Canada to the Year 2000" that identified a number of potential projects which can and should be developed over the next 20 years. But the document did nothing to outline a suitable framework or a positive economic environment for these things to happen. On page 7 the document reads:

> We must carefully examine our regulatory systems to ensure that the rules are clear and the procedures efficient, so that they guide business enterprise rather than inhibit it.

I interpret this to mean that the government is proposing a scaling down of regulations and bureaucratic obstacles. It should be facilitating rather than obstructing. That is not the spirit and thrust of the document. Therefore, it rejects the report of the Economic Council of Canada which identified the many billions of dollars it is costing the country because of the excessive amount of regulation.

It is important to have stability and certainty. For example, I am certain the construction industry is not very happy with the sudden changes and shifts in policy enunciated in the budget. Neither is the manufacturing industry, which is

plagued with lay-offs. The fact of the matter is that at least 20,000 rental units are affected directly. The minister brought in some changes, but upon reflection and closer examination one will find that there are still serious problems as a result of the minister's announcement yesterday. I am sure my colleagues will document that later.

Mr. Huntington: Very, very serious.

Mr. Mazankowski: I hear the hon. member for Capilano (Mr. Huntington) saying "Very, very serious."

Page 14 of the document indicated the following:

As an initial response to the Report of the Major Projects Task Force, the Government of Canada has established a new Office of Industrial and Regional Benefits.

This is more bureaucracy. What will they do? They will co-ordinate and interact. Page 16 refers to the IOP, the industrial opportunities program, and reads:

To meet the needs of Canadian business in a co-ordinated, effective manner, the Government of Canada will draw together these programs under a new Industrial Opportunities Program (IOP).

This is another mechanism which will necessitate the creation of more jobs for Liberals. At the bottom of page 16 it refers to the establishment of the Canadian Industrial Renewal Board as follows:

The Canadian Industrial Renewal Board is being established to co-ordinate the federal government's industrial adjustment programs in the clothing, textile and footwear sectors.

This is an appointment of some 16 people across the country, all of whom are Liberals, for the purpose of receiving their famous reward. There is only one individual out of the 16 who has had any textile experience. Page 20 refers to the establishment of the Export Trade Development Board. All we have in the document is a proliferation of boards, agencies, advisory councils, Crown corporations and task forces.

[*Translation*]

The Acting Speaker (Mr. Ethier): It being 5.45 p.m. it is my duty pursuant to Standing Order 60(7) to interrupt debate and put forthwith every question necessary to dispose of the amendment now before the House.

[*English*]

The question is on the amendment (Mr. Wilson). Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the amendment (Mr. Wilson), which was negatived on the following division:

(*Division No. 124*)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Oberle
Ogle
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young
Yurko—120.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais

Messrs.

Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

[*Translation*]

Madam Speaker: I declare the amendment lost.

It being after six o'clock, I do now leave the chair until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At 6.19 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME XI